

The **PENSION FUND INVESTMENT BOARD** met at **WARWICK** on the 18th **FEBRUARY, 2008**

Present:-

Councillor Chris Davis (Chair)
“ John Appleton
“ Helen McCarthy
“ Brian Moss

Officers
Resources Directorate

Oliver Winters
Phil Triggs
Mathew Dawson
Neil Buxton
Christine Gough
Jennifer Leung

Performance & Development Directorate

Tony Maione

Also in attendance

Threadneedle
Tim Lord
Nathan Hargreaves

State Street Global Advisors
Kevin Cullen
Mark Webster

1. General

(1) Apologies for absence

An apology for absence was submitted from Councillor Bob Hicks.

(2) Members Declaration of Personal and Prejudicial Interests

Councillors Chris Davis and Helen McCarthy disclosed personal interests as members of the Pension Fund.

(3) Minutes of the meeting held on the 3rd August 2007 and any matters arising.

(a) Minutes

It was noted that Shawn Lytle's surname should be spelt with one "t".

It was then Resolved:-

That the public minutes of the Pension Fund Investment Board's 9th January meeting be approved subject to the correction to the spelling of Shawn Lytle's name in the attendance list.

(b) Matters arising

Nil.

2. Investment Performance

The report of the Strategic Director of Resources was considered.

Oliver Winters said that the figure £1028.4m where it appeared in paragraph 1.1 should be deleted.

The Board noted the fund value and performance for the third quarter in 2007/08 to 31st December 2007. It was also noted that the value of the fund was £1053.4m at 31st December 2007.

3. Governance Compliance Statement

The report of the Strategic Director of Resources was considered.

Oliver Winters said that the main area of non-compliance was in connection with the other employers (scheduled and admitted bodies) in the pension scheme. The Board consisted entirely of representatives appointed from the County Council. Although there was an open invitation for all bodies to the annual general meeting, of the employers only the borough/district councils were invited to meetings of the Consultative Panel. There were sixty different employer bodies and the meetings would be too large if all were invited. Attendances from borough/district council at Panel meetings were low but this was probably because the Pension Scheme was agreed nationally and there was very little influence that could be exerted locally.

It was then Resolved:-

That the Warwickshire Pension Fund Investment Board note and approve the report, and the position with regard to Warwickshire's compliance on governance and the Schedule be sent to the Department of Communities and Local Government by the 1st March 2008 deadline.

4. Funding Strategy Statement

The report of the Strategic Director of Resources was considered.

Oliver Winters said that the actuary had now provided details of various employers' contribution rates, which were now being sent to the employers. At the same time they were being asked for comments on the draft Funding Strategy Statement. He would bring any feedback to the Board.

It was noted that the intention was for one funding strategy to cover the whole Fund, as it would be too complicated to administer separate strategies for each of the sixty employers.

In answer to a question from Councillor Appleton, Oliver Winters confirmed that the 22-year period for reducing the deficit on the Fund was similar to that adopted by other Pension Funds. The original recovery period had been for twenty-five years, commencing three years earlier. This would apply to all employers except those with closed schemes in which case the period was calculated over the remaining years to members' retirements.

It was then Resolved:-

That the new Funding Strategy Statement be approved.

5. Pension Fund Risk Management

The report of the Strategic Director of Resources was considered.

The Following comments arose:-

- (1) It was accepted that the risk assessment had been made based on officers' expert judgement.
- (2) That it would be possible to expand on the information given.
- (3) The scoring of 1 to 5 was used nationally.
- (4) On the question of proactive planning for legislative changes, it was noted that normally officers received advance knowledge of plans for legislative changes through consultation processes.

It was then Resolved:-

That the Board endorse the register of risks and approve the process by which it had been compiled.

6. Any other items – New Pension Scheme DVD

Members viewed a DVD on the new pension scheme that would come in force on the 1st April 2008. It was noted that the intention was to send a copy of the DVD to scheme members and it was hoped that it would be possible to facilitate members of staff watching the DVD at the workplace.

7. Items Containing Exempt Information

It was Resolved:-

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.

See below for the summary of business transacted in the absence of the public

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Chair of Board

The Board rose at 1.10 p.m.

SUMMARY

**8. Exempt extract of the minutes of the meeting held on the 9th January 2008
(1) Minutes**

The Board approved the exempt extract of the minutes of the Pension Fund Investment Board's 9th January 2008 meeting

(2) Matters arising – Minute 5 – Asset Liability Study

It was noted that Mercer had been asked to look into the issue of future possibilities for asset allocation (asset liability study) and further diversification with a view to reporting to the May meeting of the Board.

**9. Presentations by Fund Managers
(1) Threadneedle**

The Board received a presentation from representatives of Threadneedle on performance in connection with the portfolio managed on behalf of the Fund.

(2) State Street

The Board received a presentation from representatives of State Street, on performance in connection with the portfolio managed on behalf of the Fund.

The Board discussed the issue of share voting and agreed that Manifest should be invited to the next meeting of the Board to make a presentation on the services they had to offer.