

The **PENSION FUND INVESTMENT BOARD** met at **WARWICK** on the 19th **MAY, 2008**

Present:-

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

Advisors

Peter Jones
Anwen Owen (Mercers)

Officers

Resources Directorate

Oliver Winters
Phil Triggs
Christine Gough
Jennifer Leung

Performance & Development Directorate

Tony Maione

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 John Appleton, Chris Davis and Helen McCarthy disclosed personal interests as members of the Pension Fund.

(3) Minutes of the meeting held on the 18th February 2008 and any matters arising.

(a) Minutes

It was then Resolved:-

That the public minutes of the Pension Fund Investment Board's 18th February 2008 meeting be approved.

(b) Matters arising

Nil.

It was formally noted that reports 2 to 7 had been considered at the preceding meeting of the Pension Fund Consultative Panel. The appropriate minutes from that meeting are shown in italics.

2. Investment Performance

The report of the Strategic Director of Resources was considered.

The following points arose:-

- (1) The pension fund stood at £983.3m on the 31st March 2008 having fallen in value by 6.6% since the previous quarter against an average of fall of 6%. The Fund had since rallied to over £1bn.*
- (2) UBS performance remained poor and was being watched closely. They were taking positive action with regard to equities with restructuring staff. Oliver Winters was more concerned with the company's poor performance with regard to fixed income.*
- (3) The overall long-term position of the fund was still healthy being 85-86% funded.*

The Board noted the fund value and performance for the fourth quarter in 2007/2008 to 31 March 2008.

3. Outcome of the Triennial Actuarial Valuation

The report of the Strategic Director of Resources was considered.

The following points arose:-

- (1) The date at the end of paragraph 1.2 should be 31 March 2007.*
- (2) The Fund would have been over 90% funded but for the increasing longevity of members of the Fund.*
- (3) The County Council's proposed contribution rate was 16% and was the second lowest for County Councils. The rate would vary significantly for those employers with smaller workforces.*
- (4) The cost to the County Council of a one per cent increase in the contribution rate was approximately £1.3 million.*
- (5) National discussions were taking place with aim of sharing the cost of future increases between employers and employees.*
- (6) It was uncertain what the impact of the creation of unitary authorities would be.*

The Board noted the report.

4. Business Plan Outcome 2007/08

The report of the Strategic Director of Resources was considered.

The following points arose:-

- (1) The three official complaints received had been resolved.*
- (2) The transfer of files to electronic storage had not been completed but in view of the well-publicised problems with data being lost in transit, this delay would be used to allow the quality controls to be revisited to check that they were sufficiently robust.*
- (3) There were a number of ways in which the Pensions Section became aware of the deaths of persons in receipt of a pension from the Fund. These ranged from an informal network whereby existing employees became aware of the death of former colleagues to notification from banks and building societies. Officers were obliged to recover overpayment of pension but this was always done sensitively.*
- (4) Although Members were happy with their decision-making process they recognised a need for training/advice if they were to become fully compliant with CIPFA/Myners principles and produce a share voting policy. They expressed a wish to comply fully with those principles and asked officers to engage with Manifest with a view to bringing back to the next meeting a suitable policy for their consideration and approval.*

The Chair congratulated Phil Triggs and Neil Buxton and their staff for their achievements during the preceding year.

The Board noted the progress made with regard to the Pension Fund Business Plan objectives for 2007/08.

5. Business Plan

The report of the Strategic Director of Resources was considered.

Oliver Winters apologised for the lateness of papers for the meeting but explained that Phil Triggs had been called for jury service during the previous fortnight.

It was then Resolved:-

That the Warwickshire Pension Fund Investment Board approves the Warwickshire County Council Pension Fund Business Plan for 2008/09 as set out in Appendix A.

6. Funding Strategy Statement

The report of the Strategic Director of Resources was considered.

It was noted that there had been no feedback from organisations on the draft Funding Strategy Statement.

It was then Resolved:-

That the new draft Funding Strategy Statement be approved.

7. Standard Life AVC Arrangements

The report of the Strategic Director of Resources was considered.

Members were happy with the proposal to extend the range of investments available through Standard Life.

It was then Resolved:-

That the Warwickshire Pension Fund Investment Board note the contents of the report and instruct the Strategic Director, Resources to liaise further with Mercer about extending the range of investments available through Standards Life.

8. Any other items

Nil.

9. 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.

Summary of business transacted in the absence of the public

10. Exempt extract of the minutes of the meeting held on the 18th February 2008

The Board approved the exempt extract of the minutes of the Pension Fund Investment Board's 18th February 2008 meeting and authorised the Chair to sign the minutes.

11. Mercer's Report on Asset Liability Modelling

The Board received a presentation by Anwen Owen based on Mercer's report on Asset Liability Funding and then considered the issues involved.

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Chair of Board

The Board rose at 1.14 p.m.