

**Minutes of the Local Pension Board of Warwickshire Pension Fund meeting
held on
28 July 2015**

Present:

Members

Keith Bray (Chair), Councillor Alan Cockburn, Heather Costello, Andy Crump, Keith Francis and Alan Kidner.

Officers

Sally Baxter, Democratic Services Officer

John Betts, Head of Finance

Neil Buxton, Pensions Manager

Mathew Dawson, Treasury and Pension Fund Manager

John Galbraith, Senior Solicitor, Pension Fund Services

Andrew Lovegrove, Head of Corporate Financial Services

Paul Williams, Democratic Services Team Leader.

1. Introductions and General business

(1) Apologies

Councillor Matt Western

(2) Board Members' Disclosures of Interests

None.

- 1.1 The Chair welcomed Board members to the meeting which included a precis of the Board's role. Reference was made to the Terms of Reference attached to the agenda. Advice on Conflicts of Interest would be emailed to members of the Board.
- 1.2 Members of the Board received clarification on aspects of the terms of reference in so far Warwickshire County Council (WCC) was the administering authority for the Fund and as such, the Scheme Manager referred to the authority not an individual. Queries with regard to the administration of the fund could be directed to Neil Buxton, Pensions Manager or Mathew Dawson, Treasury and Pension Fund Manager for queries with regard to investment.
- 1.3 Further clarification was provided on the fundamental differences between the roles of the Warwickshire Pension Board and a private board of Trustees. John Galbraith, Senior Solicitor, reminded the board that the role of the Pension Fund Investment Sub-Committee was to act on the best interests of the Fund, they do not act on behalf of WCC. The Board requested that information be provided at a future meeting, to include the terms of reference for the Pension Fund Investment Sub-Committee, and Staff and Pensions Committee, regarding the governance arrangements; this would help them identify areas for in-depth scrutiny.

2. Report of Scheme Manager

- 2.1 Neil Buxton, Pensions Manager, distributed a briefing note to the board at the start of the meeting which contained information about the composition of the Warwickshire Pension Fund and the key performance indicators.
- 2.2 In response to questions, Neil Buxton explained that national standards set the key performance indicators (KPI) and benchmarking was undertaken using CIPFA. Quartile performance was not available for 2015/16 but benchmarking for 2014/15 would be shared with the board. Mathew Dawson, Treasury and Pension Manager, gave a brief breakdown of performance from 2010 and explained that the deficit had increased, despite investment performance exceeding benchmark targets, primarily because of the way the actuarial profession prices future liabilities. John Betts, Head of Finance, explained that the fund was performing well for its size; work was being undertaken to look at fees nationally in particular, whether they were presented consistently. Nationally the Government were reviewing the future structure and running of the LGPS, starting with the amalgamation of investment mandates. Any forced integration of Funds could limit the opportunities of individual employers to influence decision making.
- 2.3 A discussion ensued about the potential impact on the fund of the reduction to public funds over the next 15 years and the frequency of benchmarking both administration costs and investments; the Pension Fund Investment Sub-Committee received quarterly reports and employers received it annually. An annual event was held which gave stakeholders the opportunity to speak to fund managers and officers.

3. Aims and objectives of the Board for 2015/16 – work plan for 2015/16

- 3.1 The Chair invited the board to put forward their views and welcomed suggestions. Further clarification of the board's role was requested; it was agreed that training would help ascertain and define the role. The aims and objectives, including the work plan, would become apparent as the board became more established.

4. Training for Board members

- 4.1 The Chair talked about a skills questionnaire that had been designed and used by another Pension Board to help identify what training was required. He would share the questionnaire with officers who might adopt a similar method, and he asked the board to think about their training needs and what knowledge and skills they will require to undertake their role. Officers would arrange training with fund/ asset managers.
- 4.2 Some context was provided by the Chair, he provided general information about the numbers, size and diversity of local government pension schemes in Great Britain in particular, England and Wales. He discussed national government policy and what could be potentially on the horizon.

5. Board budget 2015/16

5.1 Andrew Lovegrove, Head of Corporate Financial Services, advised that costs of the board would be met by the Warwickshire Pension Fund. National guidance instructed that reasonable costs would be met.

6. Any other business

- i) Suggestions for the management of the board included adopting a similar questionnaire to ascertain training needs. Officers, in consultation with the Chair, would provide a training schedule. Training would be provided to the board to ensure they had sufficient knowledge and skills, but members of the board could also enhance their own knowledge if they so wished. To keep members up to date with information, they would be provided with electronic links to the minutes of Staff and Pensions, and Pension Fund Investment Sub-committee.
- ii) Pension Boards nationwide were in the process of becoming established with many having their first meetings within the summer months. The opportunity to have joint training with other local pension boards would be explored.
- iii) At a future meeting, a report would be presented with regard to Key Performance Indicators (KPI's).

The board rose at 4.25 p.m

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Chair