

# Local Pension Board of Warwickshire Pension Fund

11 January 2016

# Agenda

*Note – A training session will be held for board members ahead of this meeting. This will be facilitated by Stephen Lee of Investec Asset Management. The training will commence at **11.00am** in the same room as the committee meeting.*

The Warwickshire Local Pension Board will meet in **Committee Room 2, Shire Hall, Warwick** on **11 January 2016** at **1.45 p.m.**

1. **Introductions and General business**
  - i) **Apologies**
  - ii) **Board Members' Disclosures of Interests** (as stipulated by the Public Sector Pensions Act 2013 and set out in Annex A of the Agreed Board Terms of Reference).
  - iii) **Minutes of the meeting held on 28 July 2015**
2. **Annual Report and Financial Statements 2015**
3. **Review of Minutes of Pension Fund Investment Sub-committee Meeting 14 December 2015**
4. **Next Steps**
5. **Any other Business**

JIM GRAHAM  
Chief Executive  
Shire Hall  
Warwick

### **Membership of the Local Pension Board**

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

For general enquiries please contact Paul Williams:

Tel: 01926 418196

Email: [paulwilliamscl@warwickshire.gov.uk](mailto:paulwilliamscl@warwickshire.gov.uk)

**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

.....  
Chair

## Warwickshire Local Pension Board

11 January 2016

### Annual Report and Financial Statements 2015

#### Recommendation

That the Warwickshire Local Pension Board notes and comments on the report.

#### 1.0 Introduction

1.1 Regulation 57 of the Local Government Pension Scheme Regulations 2013 (as amended) requires local authority pension funds to produce an annual report which contains:

- (a) a report about the management and financial performance during the year of each of the pension funds maintained by the authority;
- (b) a report explaining the authority's investment policy for each of those funds and reviewing the performance during the year of the investments of each fund;
- (c) a report of the arrangements made during the year for the administration of each of those funds;
- (d) for each of those funds, a statement by the actuary who carried out the most recent valuation of the assets and liabilities of the fund in accordance with [regulation 62 \(actuarial valuations of pension funds\)](#), of the level of funding disclosed by that valuation;
- (e) the current version of the statement under [regulation 55 \(governance compliance statement\)](#);
- (f) for each of the funds, the fund account and net asset statement with supporting notes and disclosures prepared in accordance with proper practices;
- (g) an annual report dealing with—
  - (i) the extent to which the authority and [the Scheme](#) employers in relation to which it is the [administering authority](#) have achieved any levels of performance set out in a pension administration strategy in accordance with [regulation 59 \(pension administration strategy\)](#), and
  - (ii) such other matters arising from a pension administration strategy as it considers appropriate;

- (h) the current version of the statement referred to in [regulation 58 \(funding strategy statement\)](#);
- (i) the current version of the statement under regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (statement of investment principles) **(40)** ;
- (j) the current version of the statement under [regulation 61 \(statements of policy concerning communications with members and Scheme employers\)](#); and
- (k) any other material which the authority considers appropriate.

1.2 The authority must publish the pension fund annual report on or before 1st December following [the Scheme](#) year end.

1.3 In preparing and publishing the pension fund annual report, the authority must have regard to guidance given by the Secretary of State.

1.4 Below is a link to the report:

<http://apps.warwickshire.gov.uk/api/documents/WCCC-962-287>

## **2.0 Audit Strategy**

2.1 The Pension Fund's auditors complete an annual review of the Fund's accounts.

2.2 Following a survey of local authority pension funds by the Scheme Advisory Board, the fund will ensure a more process driven report is undertaken by the County Councils internal Risk and Assurance Team.

## **3.0 Breaches Policy**

3.1 In accordance with the Pensions Regulator's code of practice "certain people" are required to report breaches of the law to the Regulator where they believe where they have reasonable cause to believe that:

- A legal duty which is relevant to the administration of the scheme has not been, or is not being complied with;
- A failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions

3.2 A draft policy is attached at Appendix A. The definition of "certain people" is included in paragraph 6 of the policy.

## **4.0 Communications**

4.2 Page 94 of the annual report details the variety of ways in which the Fund communicates with its stakeholders.

- 4.3 The Treasury and Pensions Group (the Group) are reviewing the website with a view to having the website labelled as the Warwickshire Pension Fund. The Group is also in discussion with system providers about pension members having online access to their pension records and the ability to produce statements of entitlement and changes to their pension records.
- 4.4 The Group is also expanding how it communicates with scheme employers and has produced a service statement (draft attached at Appendix B) which will be issued to all employers.
- 4.5 Work also continues to use online e-learning facilities for employers to access regarding “how to” about what the administrator needs to know and how to complete the forms etc.
- 4.6 Employers are required to submit a monthly return detailing all the necessary information required by the Group regarding their information. This return accompanies the monthly payment of employee and employer contributions. It is hoped to have this return available online via a portal which will help with the automatic reconciliation of the funds and information submitted.
- 4.7 The submission of contributions is monitored by the Group to ensure that these are paid by the 23<sup>rd</sup> of the month at the latest. As a consequence of the Regulators Code of Practice no 14 employers who are late in submitting funds are contacted and reminded of their responsibility.

## **5.0 Employers**

- 5.1 Page 80 of the annual report lists scheme employers currently members of the Warwickshire Pension Fund. Below is a list of employers who have joined the Fund since March 2015:
- Alliance in Partnership (3 additional catering contracts)
  - Brandon Trust (2 Complex Needs contracts)
  - Coventry Diocese Academy Trust (3 additional academies)
  - Discovery Academy
  - Ettington Parish Council
  - Heart of England Mencap (Complex Needs contract)
  - Rugby Free Primary School
  - Studley Parish Council
  - Tanworth in Arden Parish Council
  - Wolvey Parish Council
- 5.2 The increase in the number of employers and the diverse nature of those employers places an additional strain on the administration of the Fund. The group has placed an additional emphasis on supporting employers and an officer is now employed solely to deal with the administration of the monthly



returns whilst further resource has been allocated for the reconciliation of income.

- 5.3 The receipt of contributions is monitored and contributions are received by the 19<sup>th</sup> of the month from 84% of scheme employers. The remainder make payment within a few days of the statutory requirement. Persistent “late payers” are contacted by the Group and reminded of their responsibility.

## **6.0 Annual Benefit Statements**

- 6.1 The Fund is required to issue an annual benefit statement to active contributing members by 31 August each year. The Warwickshire Pension Fund issued statements to 96% of active members by this date.
- 6.2 The Fund has been advised that this performance is at a legally acceptable level.
- 6.3 The Regulator has advised local authority funds of the legal requirement to ensure that statements are issued on time but has accepted that some funds had experienced difficulties in receiving accurate end of year returns from their employers in light of the introduction of the CARE Scheme. The Regulator has allowed funds extra time to issue statements by the end of November 2015.
- 6.4 Only two of Warwickshire’s employers failed to submit end of year returns and these were advised that their members would not receive annual statements.
- 6.5 Treasury and Pensions issued the outstanding statements by 30 November 2015.
- 6.6 Fund members with a preserved benefit were issued with their annual statement by 30 June 2015.
- 6.7 There are currently in excess of 2,000 preserved benefit members marked as “gone away”; that is, where the Fund does not hold a current address and is unable to send an annual statement. Currently the Fund relies on beneficiaries to make contact regarding their entitlement at retirement age, if not before. Failing any contact the Fund will utilise the HMRC letter forwarding service shortly after retirement.
- 6.8 In light of the code of practice and the requirement to maintain accurate records for members the Fund will be taking a more pragmatic approach and is in discussions with a tracing agency about these records.
- 6.9 See appendices Ci and Cii for examples of benefits statement templates

## 7.0 Benchmarking

- 7.1 The Fund participates in the CIPFA pensions administration benchmarking club along with a further 50 local authority pension funds.
- 7.2 The club enables the Fund to look at cost and workload measures.
- 7.3 A copy of the 2015 report is attached at Appendix D.

## 8.0 Internal Disputes Resolution Procedures (IDRP)

- 8.1 The Fund monitors IDRP cases and received the following from April to the end of November:
- 8.2 The Fund has received one dispute since March 2015, which has been resolved.

## 9.0 Valuation 2016

- 9.1 Board members will be aware that 2016 will see the submission of data to the Actuary for the triennial valuation of the Pension Fund.
- 9.2 Employers have been reminded of the tight timescales. Hymans (the Fund actuary) requires data to be submitted to them by 30 June 2016 to enable their processing to be completed in time for submission of results to the Scheme Advisory Board by 30 September 2016.
- 9.3 The Fund has emphasised to all employers at the recent annual forum and the AGM, that all end of year returns must be received by 30 April 2016 at the latest. The Group will continue to remind all employers of this requirement by way of employer newsletters and direct mailings.

## 10.0 Background Papers

None

	<b>Name</b>	<b>Contact Information</b>
Report Author	Neil Buxton	<a href="mailto:neilbuxton@warwickshire.gov.uk">neilbuxton@warwickshire.gov.uk</a>
Head of Service	John Betts	<a href="mailto:johnbetts@warwickshire.gov.uk">johnbetts@warwickshire.gov.uk</a>
Strategic Director	David Carter	<a href="mailto:davidcarter@warwickshire.gov.uk">davidcarter@warwickshire.gov.uk</a>
Portfolio Holder	Cllr Alan Cockburn	<a href="mailto:cllrcockburn@warwickshire.gov.uk">cllrcockburn@warwickshire.gov.uk</a>

# APPENDIX A

**A procedure for reporting breaches of the law to The Pensions Regulator**

**Warwickshire Pension Fund**

Version 1

## **Introduction**

- 1 In April 2015 the Pensions Regulator (the Regulator) publishes its Code of Practice no 14 (the Code) Governance and administration of public service pension schemes. This is not a statement of law of itself but nonetheless it carries great weight. In some respects it is like the Highway Code, in that some of its contents refer to statutory items, whilst others are advisory. The Courts may however also rely on the latter. In the same way, if determining whether any pensions related legal requirements have been met, a court or tribunal must take into account the Code.
- 2 There are many and various laws relating to the Local Government Pension Scheme, with many and various people having a statutory duty to report material breaches of the law to the Regulator. To assist, the Code states that a procedure should be established to ensure that those with a responsibility to make reports are able to meet their legal obligations. This document is that procedure, which relates to all of the Fund's areas of operation.
- 3 Much of the text herein is drawn from the Code itself. Where it has been, the Regulator's copyright applies.
- 4 If you have any questions about this procedure and:
  - you are a member of the Staff and Pensions Committee, Investment Sub-committee, Local Pension Board or you are an external adviser, please contact the Solicitor to the Fund;
  - you are an actuary, auditor or other external agent, please contact the Pension Services Manager and Legal;
  - you represent an employer, please contact the Pensions Services Manager
  - you are an officer of the Fund, and you work in Administration, please contact Compliance and Training. Otherwise please contact your Team Leader or Pension Services Manager

## **Legal Requirements**

- 5 Certain people are required to report breaches of the law to the Regulator where they have reasonable cause to believe that:
  - a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with;
  - the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.

6 People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers (meaning, in the case of the Warwickshire Pension Fund, the Staff and Pensions Committee);
- members of the pension board (meaning, in the case of the WPF, the Local Pension Board);
- any person who is otherwise involved in the administration of the Fund (and thus members of the Investment Sub-Committee and all of the Fund's officers);
- employers, and any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers;
- professional advisers including auditors, actuaries, legal advisers and fund managers; and
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme (and thus the Fund's three external advisers).

### **Reasonable Cause**

- 7 Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.
- 8 Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.
- 9 Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to consult the appropriate Pension Services Manager, or Head of Corporate Financial Services, regarding what has happened. It would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these

circumstances the reporter should alert the Regulator without delay.

- 10 If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.
- 11 In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the Regulator may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.

### **Material significance**

- 12 In deciding whether a breach is likely to be of material significance to the Regulator, it would be advisable for the reporter to consider the:
  - cause of the breach;
  - effect of the breach;
  - reaction to the breach; and
  - the wider implications of the breach.
- 13 When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the Regulator.
- 14 The breach is likely to be of material significance to the Regulator where it was caused by:
  - dishonesty;
  - poor governance or administration;
  - slow or inappropriate decision making practices;
  - incomplete or inaccurate advice; or
  - acting (or failing to act) in deliberate contravention of the law.
- 15 When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are

aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.

- 16 A breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances. But in such a situation, it is also important to consider other aspects of the breach such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.

### **Effects of the breach**

- 17 Reporters need to consider the effects of any breach, but with the Regulator's role in relation to public service pension schemes and its statutory objectives in mind, the following matters in particular should be considered likely to be of material significance to the Regulator:

- Local Pension Board members not having the appropriate degree of knowledge and understanding, which may result in the Board not fulfilling its role, the Fund not being properly governed and administered and/or the Investment Sub-Committee breaching other legal requirements;

- Local Pension Board members having a conflict of interest, which may result in them being prejudiced in the way that they carry out their role, ineffective governance and administration of the scheme and/or the Investment Sub-committee breaching legal requirements;

- adequate internal controls not being established and operated, which may lead to the Fund not being run in accordance with the Scheme's Regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the Fund at the right time;

- accurate information about benefits and Scheme administration not being provided to Scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement;

- appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time;

- anyone involved with the administration or management of the Fund misappropriating any of its assets, or being likely to do so, which may result in assets not being safeguarded; and

- any other breach which may result in the Fund being poorly governed, managed or administered.

- 18 Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.

### **Reaction to the breach**

- 19 Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the Regulator will not normally consider this to be materially significant.

- 20 A breach is likely to be of concern and material significance to the Regulator where a breach has been identified and those involved:

- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
- are not pursuing corrective action to a proper conclusion;
- fail to notify affected scheme members where it would have been appropriate to do so.

### **Wider implications of the breach**

- 21 Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to the Regulator. For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the scheme manager or pension board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.

### **Examples of breaches**

#### **Example 1**



- 22 An employer is late in paying over employee and employer contributions, and so late that it is in breach of the statutory period for making such payments. It is contacted by officers from the administering authority, it immediately pays the moneys that are overdue, and it improves its procedures so that in future contributions are paid over on time. In this instance there has been a breach but members have not been adversely affected and the employer has put its house in order regarding future payments. The breach is therefore not material to the Regulator and need not be reported.

### **Example 2**

- 23 An employer is late in paying over employee and employer contributions, and so late that it is in breach of the statutory period for making such payments. It is also late in paying AVCs to the Prudential. It is contacted by officers from the administering authority, and it eventually pays the moneys that are overdue, including AVCs to the Standard Life. This has happened before, with there being no evidence that the employer is putting its house in order. In this instance there has been a breach that *is* relevant to the Regulator, in part because of the employer's repeated failures, and also because those members paying AVCs will typically be adversely affected by the delay in the investing of their AVCs.

### **Example 3**

- 24 An employer is late in submitting its statutory year-end return of pay and contributions in respect of each of its active members and as such it is in breach. Despite repeated reminders it still does not supply its year-end return. Because the administering authority does not have the year-end data it is unable to supply, by 31 August, annual benefit statements to the employer's members. In this instance there has been a breach which *is* relevant to the Regulator, in part because of the employer's failures, in part because of the enforced breach by the administering authority, and also because members are being denied their annual benefits statements.

### **Example 4**

- 25 A member of the Investment Sub-committee, who is also on the Property Working Group, owns a property. A report is made to the Property Working Group about a possible investment by the Fund, in the same area in which the member's property is situated. The member supports the investment but does not declare an interest and is later found to have materially benefitted when the Fund's investment proceeds. In this case a material breach has arisen, not because of the conflict of interest, but rather because the conflict was not reported.

### **Example 5**

A pension overpayment is discovered and thus the administering authority has failed to pay the right amounts to the right person at the right time. A breach has therefore occurred. The overpayment is however for a modest amount and the pensioner could not have known that (s)he was being overpaid. The overpayment is therefore waived. In this case there is no need to report the breach as it is not material.

### **Submitting a report to the Regulator**

- 27 Before you submit a report you should obtain clarification of the law around the suspected breach. If:
- you are a member of the Staff and Pensions Committee, Investment Sub-committee, Local Pension Board or you are an external adviser, please contact the Solicitor to the Fund;
  - you are an actuary, auditor or other external agent, please contact the Assistant Executive Director - Property, Local Investments, Accountancy and Legal;
  - you represent an employer, please contact the Pensions Services Manager
  - you are an officer of the Fund and you work in Administration, please contact Head of Corporate Financial Services.
- 28 The person you contact will consider in the round whether the Regulator would regard the breach as being material. (S)he will also clarify any facts, if required. If the case is a difficult one (s)he will seek advice, as required.
- 29 Some matters could be urgent, if for example a fraud is imminent, whilst others will be less so. Non-urgent but material breaches should be reported to the Regulator within 30 working days of them being confirmed, and in the same time breaches that are not material should be recorded (see later).
- 30 Some breaches could be so serious that they must always be reported, for example a theft of funds by anyone involved with the administration or management of the Fund. It is difficult to be definitive about what constitutes a breach that must always be reported, but one test is: might it reasonably lead to a criminal prosecution or a serious loss in public confidence?
- 31 Any report that is made (which must be in writing and made as soon as reasonable practicable) should be dated and include as a minimum:
- full name of the Fund;
  - description of the breach or breaches;

- any relevant dates;
- name of the employer or scheme manager (where known);
- name, position and contact details of the reporter; and
- role of the reporter in relation to the Fund.

32 Additional information that would help the Regulator includes:

- the reason the breach is thought to be of material significance to the Regulator;
- the address of the Fund;
- the pension scheme's registry number (if available); and
- whether the concern has been reported before.

33 Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if appropriate.

34 Reporters should ensure they receive an acknowledgement for any report they send to the Regulator. Only when they receive an acknowledgement can the reporter be confident that the Regulator has received their report.

35 The Regulator will acknowledge all reports within five working days of receipt, however it will not generally keep a reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose.

36 The reporter should provide further information or reports of further breaches if this may help the Regulator to exercise its functions. The Regulator may make contact to request further information.

37 Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.

38 In cases of immediate risk to the Fund, for instance, where there is any indication of dishonesty, the Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the Regulator to the breach.

## **Recording breaches that have not been reported to the Regulator**

- 39 Breaches that are found not to be material to the Regulator must still be recorded. This is so that if similar breaches continue, then they become material. Recording all breaches also highlights where improvements are required, to try and prevent similar breaches.
- 40 Breaches that are not being reported should be recorded here: (being a link to an in-house spreadsheet designed to capture all the relevant data).

## **Whistleblowing protection and confidentiality**

- 41 The Pensions Act 2004 makes clear that the statutory duty to report overrides any other duties a reporter may have such as confidentiality and that any such duty is not breached by making a report. The Regulator understands the potential impact of a report on relationships, for example, between an employee and their employer.
- 42 The statutory duty to report does not, however, override 'legal privilege. This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.
- 43 The Regulator will do its best to protect a reporter's identity (if desired) and will not disclose the information except where lawfully required to do so. It will take all reasonable steps to maintain confidentiality, but it cannot give any categorical assurances as the circumstances may mean that disclosure of the reporter's identity becomes unavoidable in law. This includes circumstances where the regulator is ordered by a court to disclose it.
- 44 The Employment Rights Act 1996 (ERA) provides protection for employees making a whistleblowing disclosure to the regulator. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to the regulator, they may have protection under the ERA if they make an individual report in good faith. The Regulator expects such individual reports to be rare and confined to the most serious cases.

## **Warwickshire County Council whistleblowing policy**

- 45 The Council has its own whistleblowing policy. The person contacted about the potential breach, eg, the Solicitor to the Fund, will take this into account when assessing the case.

**“WORKING TOGETHER”**

**A Service Statement A guide to the arrangements for administering the LGPS**

**Between**

**Warwickshire County Council Pension Fund**

**(Warwickshire County Council as the Administering Authority)**

**And**

**Xxxxxxxxxxxxxxxxxxxxx**

**(name of employer)**

“Working Together”

## **Definitions**

For the purpose of this Service Statement

“Administering Authority” means Warwickshire County Council;

“Employing Authority” means an employer within the Warwickshire County Council Pension Fund; and

“Scheme Administrator” means the Treasury and Pensions Group of the Administering Authority.

## **The Regulations – Effect on the Statement**

This statement sets out, for administrative convenience, the manner in which certain duties and responsibilities are expected to be carried out. It does not override any provision or requirement in the Regulations outlined below or any overriding legislation. The intentions of the Regulations in their application to members, potential members, deferred members and retired members must at all times be complied with.

The Regulations forming the basis of this statement are as follows:

The Local Government Pension Scheme) Regulations 2013 (referred to as the Regulations) and any amendments.

The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2013 (referred to as the Transitional Regulations) and any amendments.

## **Administrative Procedures – General**

### **Administration Guide**

The following guides are available for employers:

**HR Guide to the 2014 Scheme** available on [www.LGPS2014.org](http://www.LGPS2014.org)

**Payroll Guide to the 2014 Scheme** available on [www.LGPS2014.org](http://www.LGPS2014.org)

Warwickshire Pension Fund will, will notify employers as and when amendments are made to the above guides. An Employers Newsletter notifying all employers of current issues concerning the administration of the Local Government Pension Scheme will be issued as appropriate.

## **Contacts**

The Employing Authority shall nominate contacts who will be responsible for and act as the Scheme Administrator’s primary contact with the Employing Authority in the following areas:

- Policy.
- Administration.
- Accounts (including monthly returns).
- End of year.
- FRS17 / IAS19.
- Valuation.

Any changes to the contacts must be notified to the Scheme Administrator immediately. It is the responsibility of the Employing Authority to ensure that details and signatures of contacts held by the Scheme Administrator are correct by completing the necessary signatory authorisation list.

## **Review of the Statement**

The statement will form the basis of a review of services provided by the Employing Authority, the Administering Authority and the Scheme Administrator.

## **EMPLOYING AUTHORITY RESPONSIBILITIES (in accordance with the regulations).**

### **Duties – General**

The main duties of the Employing Authority as set out in the pension scheme regulations are:

- To decide who is eligible to become a member of the LGPS and the date from which membership of the LGPS commences.
- To decide whether that person is employed in a full time, part time, variable time or casual capacity. If the employee is part time the Employing Authority must also determine the proportion which the employee’s contractual hours bear to the hours of a comparable full time employee.
- To determine an employee’s pay for the purposes of calculating pension contributions.
- To determine the rate of employee contribution (within the confines of the regulations) to be deducted from the employee’s pensionable pay and where the employee holds more than one post, the rate that should be applied to each post and whether the rate will be amended to reflect a material change to the employees pay during the year.

## “Working Together”

- To determine final pay for the purposes of calculating benefits due from the LGPS.
- To supply timely and accurate information, including reason for leaving, to the Scheme Administrator to enable the correct calculation of benefits due from the LGPS.
- To collect, pay over to the Administering Authority and account for the deduction of the correct rate of pension contributions payable by both the employee and the employer, including any additional employee contributions, in a format prescribed by the Scheme Administrator.
- Upon receipt of a notification of an employee’s election to pay, vary the amount or cease Additional Voluntary Contributions (AVC) to apply the notification accordingly and where applicable deduct from a member’s pay and pay over to the specified AVC provider the contributions.
- Upon receipt of a notification from the Scheme Administrator of an employee’s election to pay Additional Pension Contributions (APC) to apply the notification accordingly and where applicable deduct from a member’s pay and pay over to the Administering Authority, the contributions as instructed by the Scheme Administrator.
- To accompany any statement issued to an employee relating to any decision made about the Scheme, with a notice drawing the employee’s attention to their right of appeal under the LGPS.
- To use an independent Medical Officer qualified in Occupation Health medicine (who has been approved by the Administering Authority) in determining ill health retirement.
- To have available an independent officer to review first stage appeals under the Internal Disputes Resolution Procedures.

The above is a summary of the main duties of an Employing Authority under the LGPS regulations. In the event of doubt the Regulations must be consulted for clarification.

The decision on the rate of contribution to be paid by a scheme member is determined by the Employing Authority on the new starter form. The Administering Authority will, in issuing a statutory notification accept the Employing Authority’s decision regarding the appropriate rate.

### **Duties – Specific**

#### **New Scheme Members**

Upon notification that an individual has entered an employment for which he or she is eligible for membership of the LGPS, the Employing Authority shall automatically admit that individual to the LGPS. The employee can make a written election not to be a member by completing the relevant form at [www.warwickshire.gov.uk/pensions](http://www.warwickshire.gov.uk/pensions).



## “Working Together”

The Employing Authority shall notify the Scheme Administrator of a new scheme admission by completing a New Entrants form and submitting it to the Scheme Administrator within 7 working days of the end of the month in which the member joined the LGPS. If the employee decides not to remain a member of the LGPS, the Employing Authority shall notify the Scheme Administrator by completing the office use only section on the Optant Out form and submitting a copy to the Scheme Administrator within 7 working days of the end of the month in which the employee decided not to join the LGPS.

It is a requirement of The Pensions Regulator that the employer keeps an original copy of the opt-out form for 4 years.

### **Changes to Membership Status**

The following changes to a scheme member's status must be notified to the Scheme Administrator within 7 working days from the end of the month in which the change takes effect:

- Change of name.
- Change of address.
- Change of partnership status.
- Change of employee contribution rate.
- Change of weekly contractual hours.
- Change of the contractual weeks worked per year.
- Reductions in pensionable pay due to absence with reason for absence.
- Reductions in pensionable pay due to parental leave.
- Reductions in pensionable pay due to trade dispute.
- For Scheme Members with Pre 2014 service:
  - Breaks in service due to absence with reason for absence.
  - Breaks in service due to parental leave.
  - Breaks in service due to trade dispute.

Form Notification of Changes is provided.

### **Leavers (non-retirements)**

Upon notification that a scheme members' period of employment has terminated, or should a scheme member elect to opt out of the LGPS, the Scheme Administrator should be notified by completing form Notice of Termination within 10 working days from the member's date of leaving or date of opt out. A copy of opt-out form completed by the member should be submitted to the Scheme Administrator.

It is a requirement of The Pensions Regulator that the employer keeps an original copy of the opt-out form for 4 years.

### **Election to join 50 / 50 Scheme**

## “Working Together”

Upon notification that a scheme member has elected to join the 50 / 50 Scheme, the Scheme Administrator should be notified by forwarding the scheme members option form within 10 working days of the members election.

### **Retirements (including Normal Age, Redundancy, Efficiency, Ill Health and other early retirements)**

Once known that a scheme member is to retire, the Employing Authority will notify the Scheme Administrator as soon as is reasonably practicable by completing and submitting form PEN 4. Once final details can be supplied, the Employing Authority will notify the Scheme Administrator by completing a Notice of Termination as soon as possible and no later than within 10 working days of the retirement date.

**It is important to note that the service standards to members states that retirement lump sums will be paid within 10 working days after retirement on receipt of all relevant paperwork.**

### **Payment of contributions**

The Employing Authority will ensure that the correct rate of employer contribution is deducted in accordance with the rates and adjustment certificate issued by the Fund Actuary as part of the triennial valuation of the Pension Fund.

The Employing Authority will make payment of employee and employer contributions to the Administering Authority within 19 days of the end of the month in which contributions have been deducted. Any payments made after that may be subject to interest.

The Employing Authority will complete Form CT117 giving full and accurate information in the format requested.

**It is the responsibility of the Employing Authority to ensure that the information provided on the monthly return is correct. If there are any discrepancies on the monthly return the Scheme Administrator will expect the Employing Authority to resolve these discrepancies and the Scheme Administrator will not deal with the Employing Authority’s payroll administrator / bureau or any third parties.**

### **Annual Returns**

The Employing Authority will, by 30 April each year, provide the Scheme Administrator with a return giving the following information:

- Name, initials, title and national insurance number of all LGPS members employed during the previous financial year and where a scheme member

## “Working Together”

holds more than one pensionable post, these details in respect of each post the member holds.

- The employee contribution rate paid by each scheme member and where the member holds more than one post, the rate applied to each post.
- The amount of standard employee contributions paid by each member for the whole of the previous financial year and where the member holds more than one post, a split of the contributions between all posts held.
- Where a member has had a change in employee contribution rate during the financial year, the effective date of the change and the amounts of contribution applicable to each rate.
- The amount of additional LGPS employee contributions paid by each member, where relevant, for the whole of the previous financial year.
- Details of the average weekly number of hours worked by variable time employees during the previous financial year.
- A summary of total contributions, clearly stating deductions for employees and employers normal contributions as well as any additional contributions.
- Pensionable pay figures upon which employees and employers contributions were calculated for the previous financial year, including any adjustments for notional pay.
- The annual amount of Standard Life and Equitable Life AVC contributions made by the member. This information is required for annual allowance calculations.

### **Additional Requirements**

The Employing Authority will endeavour to respond within 10 working days to requests made by the Scheme Administrator for further information and clarification of issues raised from the monthly and annual returns.

The Employing Authority will respond within 10 working days to requests made by the Scheme Administrator for further information and clarification of issues raised from the triennial valuation of the Warwickshire Pension Fund.

The Employing Authority will review and maintain its policy regarding the discretions available under the Local Government Pension Scheme Regulations and will notify the Administering Authority and scheme members in their employ of any changes to those policies within 30 days of the changes taking effect.

The Employing Authority will make payment of all early retirement costs as instructed by the Administering Authority and in accordance with the Local Government Pension Scheme Regulations.

### **Pension Estimates**

The Employing Authority will, as part of their request for a pension estimate for a redundancy or ill health retirement in respect of one of their scheme members,

## “Working Together”

provide the Scheme Administrator with details of the member’s proposed date of retirement, the reason for leaving and the assumed final pay. The estimate request should be made by completing an estimate request form, available on our website and emailing to [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)

The Employing Authority will also provide the assumed final pay for a member who approached the Scheme Administrator directly requesting a normal / age quotation.

### **Account Reports**

The Employing Authority will inform the Scheme Administrator of any requirement for accounting reports and of any information that may be relevant in their production.

### **EMPLOYING AUTHORITY DISCRETIONS**

The discretions afforded to an Employing Authority by the 2013 Regulations are set out below:

#### **Appendix A shows the policies required by the Employing Authority**

A copy of the Employing Authority’s policy statement should be forwarded to the Administering Authority

#### **Appendix B shows the Pension Fund’s policy statement**

The Administering Authority and the Scheme Administrator undertake that they will not give members any expectation as to how the Employing Authority will exercise any discretion.

### **SCHEME ADMINISTRATOR RESPONSIBILITIES**

#### **New Scheme Admissions**

The Scheme Administrator will set up a scheme member record for each new admission to the scheme and issue a Membership Certificate within 10 working days of receiving all relevant information.

The Scheme Administrator will maintain a record for employees who have opted out under Automatic Enrolment.

### **Changes in Administrative Procedures**

The Scheme Administrator will notify the Employing Authority of any changes to administrative procedures that may arise as a result of changes in the pension scheme regulations and update standard documentation on the Pension Fund website.

### **Training Sessions and Seminars**

The Scheme Administrator may provide the Employing Authority with training sessions, ad-hoc seminars or pension clinics.

### **Scheme Member Enquiries**

The Scheme Administrator will answer enquiries made by scheme members employed by the Employing Authority and respond to such enquiries within 10 working days or sooner where possible. Where an enquiry will take longer than 10 working days to resolve, the Scheme Administrator will notify the scheme member accordingly and keep him / her up to date with any progress made.

### **Employing Authority Enquiries**

The Scheme Administrator will respond to enquiries made by the Employing Authority within 10 working days or sooner where possible. Where an enquiry will take longer than 10 working days to resolve, the Scheme Administrator will notify the Scheme Employer accordingly and keep him / her up to date with any progress made.

### **Annual Benefit Statements (ABS)**

The Scheme Administrator will issue ABS to the scheme members of an Employing Authority, subject to receipt of all relevant year end information from the Employing Authority.

The Scheme Administrator will run data checks as part of the annual reconciliation and ABS production process and, where necessary, will raise queries with the Employing Authority. The ABS will be issued no later than 31 August of that year.

### **Pension Estimates**

The Scheme Administrator will provide estimates of pension benefits upon request from the Employing Authority within 10 working days of receipt of all relevant information. Where multiple requests are received in respect of a member, the Scheme Administrator may negotiate revised timescales.

If the Employing Authority requires a number of estimates in respect of a group of its members they should contact the Scheme Administrator at the earliest opportunity to discuss their requirements.

“Working Together”

### **Pension Benefits**

The Scheme Administrator will make payment of retirement and death benefits within 10 working days of having received all relevant information to enable to the necessary calculation to take place.

### **Employer Meetings**

The Scheme Administrator will arrange an Annual General Meeting to discuss funding issues for employers to attend.

The Scheme Administrator will arrange an annual forum to discuss administrative issues for employers to attend. The Scheme Administrator is available to discuss other issues with employers on request.

### **Retired Members**

The Scheme Administrator will issue an annual newsletter to retired members.

### **Preserved Members**

The Scheme Administrator will issue an ABS to all former employees of the Employing Authority who retain a preserved benefit with the Warwickshire Pension Fund.

### **Pensions Increases**

The Scheme Administrator will apply pensions increase annually to the relevant pensions in payment and deferred pensions retained by the Fund in accordance with the Pensions Increase (Review) Order issued by HM Treasury.

### **Accounting Reports**

The Scheme Administrator will contract with the Actuary for the provision of accounting reports on behalf of the Employing Authority. The Scheme Administrator will submit data to the Actuary and distribute reports when they become available.

## **ADMINISTERING AUTHORITY RESPONSIBILITIES**

### **Regulations**

The Administering Authority will notify the Employing Authority of any significant changes to:

## “Working Together”

Scheme regulations that might affect scheme members in their employ. The Employing Authority is responsible for informing members of any changes.

Policies made by them under the regulations or

Procedures adopted by them in accordance with this statement.

### **Scheme contributions**

The Administering Authority will allocate all contributions submitted by the Employing Authority to their respective income codes and reconcile the total contributions paid.

### **Fund Actuary**

The Administering Authority will correspond with and commission any advice required of the Fund Actuary on behalf of the Employing Authority in respect of any matters that may arise which require the determination of the Actuary.

The Administering Authority will arrange for the triennial valuation of the Warwickshire Pension Fund and provide the Employing Authority with a copy of the Actuary's valuation report and a copy of the annual report and statement of accounts.

The Administering Authority will arrange for FRS17 / IAS19 to be provided to the Employing Authority, and will recharge appropriate costs.

### **Internal Disputes Resolution Procedures**

The Employing Authority is required to have someone independent of the member and the complainant review whether the regulations and any relevant decisions have been properly followed at Stage One of the Internal Disputes Resolution Procedure. The nominated person must be independent and must not have been involved in any capacity in the decision in which the member is appealing. This allows the Employer to separately review the case ensuring the regulations have been interpreted correctly, using an “expert” known as the Appointed Person if desired.

The Administering Authority will maintain a complaints procedure in accordance with the Local Government Pension Scheme (Internal Disputes Resolution Procedures) Regulations including the appointment of a specified person to act as a local referee at Stage 2 of the disputes process.

### **Publicity and Promotion**

The Administering Authority will maintain a supply of scheme publications and arrange for the distribution of such materials to the Employing Authority as required. Publications are also available from the Pension Fund website.

## **PRIVATE CONTRACTORS**

In accordance with the Regulations the Administering Authority can enter into an admission agreement with an “external contractor” (Transferee Admission Body) undertaking local government work formerly undertaken by a “best value authority”.

This ability to become a Transferee Admission Body within the LGPS enables scheme members to retain their rights to contribute to the Scheme and avoids the need for the contractor to offer a broadly comparable pension scheme to the transferring employees.

### **The Employing Authority will:**

Undertake to include the conditions surrounding any possible admission agreement to be made with a chosen service provider (and the Administering Authority) as part of any tendering exercise that it undertakes.

Notify the Administering Authority immediately of any decision that is made to transfer any part of their service to an external contractor.

Supply the Scheme Administrator with full and accurate details of the scheme members involved in any potential transfer from the Employing Authority to the Transferee Admission Body as soon as this information is known. The information required will be:

- Full name.
- National Insurance number.
- Date of Birth.
- Gender.
- Date joined Employing Authority.
- Employment Status – full time / part time / variable time.
- Number of contractual hours per week.
- Employee contribution rate.
- Pensionable pay pre 2014 definition – for part-timers this should be the whole time equivalent pay.
- Pensionable pay 2014 definition – for part-timers this will be actual salary.
- Actual pay year to date (the CARE pot) pensionable pay received to date.
- Date pay is effective from 50 / 50 member?
- The above information is required in Excel spreadsheet format.

Sign up to the admission agreement before the start date of the contract.

Notify the Administering Authority immediately if the contract with the Transferee Admission Body is terminated.



“Working Together”

Pay any outstanding liabilities, as calculated by the Fund Actuary, to the Administering Authority in the event of the early termination of a contract with a Transferee Admission Body.

**The Scheme Administrator will:**

Supply details of any additional membership transferred into the Scheme by any of the scheme members involved in the transfer together with details of any additional contribution contracts.

**The Administering Authority will:**

Obtain details from the Fund Actuary of the potential employer’s contribution rate and level of indemnity or bond required by the Transferee Admission Body upon receipt of all information as set out above.

Supply a draft admission agreement and draft indemnity / bond agreement. NB it is the responsibility of the Transferee Admission Body to obtain the indemnity / bond to the satisfaction of the Employing Authority.

Obtain details from the Fund Actuary of any outstanding liabilities resulting from the termination of the Employing Authority’s contract with the Transferee Admission Body.

This service statement has been produced by Warwickshire Pension Fund whose administering authority is Warwickshire County Council.

It is a statement between Warwickshire Pension Fund and all participating bodies to the Warwickshire Pension Fund.

It is understood that the Administering Authority shall monitor the requirements of this statement and report its findings to the Pensions Board on an annual basis.

Each of the parties as defined in this statement and the scheme regulations, shall abide by the requirements of this statement .

**DATA PROTECTION OBLIGATIONS**

The Authorities acknowledge that they have mutual obligations in relation to the handling of data and agree to comply with the Data Protection Act 1998.

The Authorities will process the Personal Data to which this statement relates for the purposes of administering the pension scheme and in particular the Authorities individually agree that they shall process the Personal Data at all times in accordance with the Data Protection Act and in full compliance with the eight (8) data protection principles contained therein and solely for the purposes connected with the collection

**“Working Together”**

and transmission of employee information in relation to pensions in such manner agreed between the Authorities for no other purpose or in any alternative manner without further agreement




## Brought to you by



WARWICKSHIRE  
pension fund



## Contact

-  [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)
-  [www.warwickshire.gov.uk/pensions](http://www.warwickshire.gov.uk/pensions)
-  **Warwickshire Pension Fund,**  
PO Box 3, Shire Hall,  
Warwick, CV34 4RL

## Your Annual Benefit Statement (ABS) 2015

Dear

I am pleased to enclose your annual benefit statement for 2015. The statement is based on the information held by the Pension Fund at 31 March 2015, including pay and employment details provided by your employer and is based on the regulations in place at this date.

The statement provided is for information purposes only – it does not give you any legal right to the benefits shown. If there is any dispute over your pension benefits, the appropriate law will apply. Please do not make any financial decisions based on this statement. If you are thinking of retiring soon, please contact Pension Services for an estimate of the benefits you would receive.

We hope you find the statement helpful, for further information or help reading your statement please refer to the notes or visit our website.

*Yours Sincerely*

**Neil Buxton**, Pension Services Manager

### Your personal and employment information as at 31 March 2015

1 

<b>Full name</b> 	<b>D.O.B</b> 	
<hr/>		
<b>Email</b> 		
<hr/>		
<b>Partnership status</b> 	<b>Employer</b> 	
<hr/>		
<b>Date joined Fund</b> 	<b>Section of LGPS</b> 	<b>Job ref</b> 
<hr/>		

### Your summary of total benefits as at 31 March 2015

2 

#### Standard benefit option

**Annual Pension** 


---

**Lump Sum Retirement Grant**  
For membership before 01.04.2008 


---

OR

#### Maximum lump sum option

**Reduced Annual Pension** 

---

**Increased Lump Sum Retirement Grant** 

---

NOTES | [Section 1](#) / [Section 2](#): Page 4

### How your pension is calculated

3

**Please Note:** The benefits calculated in this statement are based on the pay figures below which have been supplied by your employer. It is important that you check these figures and contact your employer quickly to report any inaccuracies.

Your Final Salary Pensionable Pay ▶

Your CARE Pensionable Pay Main Section ▶

Your CARE Pensionable Pay 50/50 Section ▶

### Your summary of total benefits on page 1 is made up of:

4

#### Your Final Salary (FS) Pension Scheme

For Membership to 31.03.2008 of ▶

For Membership from 01.04.2008 to 31/03/2014 of ▶

**Total FS Annual Pension** ▶

Lump Sum Retirement Grant based on membership to 31.03.2008 ▶

#### Your total CARE account

Opening balance at 01.04.2014\* ▶

Adjustment for cost of living at 01.04.2014\* ▶

In year build up ▶

**Total CARE closing balance** ▶



\*As 2014/15 is the first year of CARE these figures are intentionally zero as no opening balance can be recorded and any adjustment is applied on 1 April each year.

### Your total CARE 'In year build up' is made up of:

#### Scheme year April 2014 - March 2015

Your CARE Pensionable Pay Main Section/49 ▶

**+** Your CARE Pensionable Pay 50/50 Section/98\*\* ▶

**+** Additional Pension Purchased\*\* ▶

**+** Transfers in\*\* ▶

\*\* If applicable

### Value of death in service benefits as at 31 March 2015

5

Annual Survivors Pension ▶

Death in service lump sum ▶

#### Nomination details for death in service lump sum

▶	▶
▶	▶
▶	▶
▶	▶
▶	▶

NOTES | [Section 3](#): Page 4 | [Section 4](#) / [Section 5](#): Page 5-6

**Projections if you remain in the scheme until your Normal Pension Age (NPA)****6** **Your Normal Pension Age (NPA)** **Projected Final Salary Pension built up to NPA** **Projected CARE Pension built up to NPA** **Total Projected Annual Pension at NPA** **Total Projected Lump Sum Retirement Grant** **Projected Final Salary Survivors Pension at NPA** **Projected CARE Survivors Pension at NPA** **Total Projected Survivors Pension at NPA** **Your membership history****7** 

Employer	Period from	Period to	Calendar length	% whole time	Period of membership

**Please note:** Only service up to 31/03/14 is shown in this section because service is only used to calculate the final salary part of your pension. It is not used to calculate the new CARE pension from 01/04/14.

**Tax and your Pension****8** 

There are tax limits applicable to pension savings. These are called Lifetime Allowance (LTA) and Annual Allowance (AA). The LTA is £1.25m from 2014/15. The AA is £40,000 per year for 2014/2015.

**Lifetime Allowance**

**The percentage of your Lifetime Allowance used by the present value of your LGPS benefits shown in this statement** 

NOTES | **Section 6** / **Section 7** / **Section 8**: Page 6

**KEEP IT SAFE:** Remember this statement contains personal information



**These notes have been provided to explain your Annual Benefit Statement (ABS) 2015. They cannot cover every circumstance and in the event of any dispute, the appropriate legislation will prevail. They do NOT confer any contractual or statutory rights.**

## Section 1

### Your personal and employment information as at 31 March 2015

---

#### **Partnership status**

Your partnership status held on your Pension Fund records. If these details are incorrect please complete and return the amendment form.

#### **Employer at 31 March 2015 and Job Reference**

This is your employer as at 31st March 2015 and the specific Job reference for your post. If you held more than one active post at this date then you will receive an ABS for each post. If you have left employment after 31 March 2015 you will receive a separate notification of benefits built up to your date of leaving.

#### **Date joined Fund**

This is the date you joined the Fund in this post.

#### **Section of LGPS**

From 1 April 2014 there are two Sections to the LGPS, the Main and 50/50. The Section you are in on the 31 March 2015 is shown here.

## Section 2

### Your summary of total benefits as at 31 March 2015

---

**Annual Pension =** Total value of pension as at 31 March 2015, including Final Salary Pension (FS), (membership up to 31 March 2014) and Career Average Revalued Earnings (CARE) benefits (for membership from 1 April 2014).

**Lump Sum Retirement Grant =** Lump sum in respect of membership before 1 April 2008.

You have the option to reduce the amount of pension you receive to increase the tax free lump sum, which subject to HMRC limits will for every £1 of annual pension converted increase the lump sum by £12.

**Reduced Annual Pension =** The present value of your reduced pension if you opt to maximise your lump sum grant.

**Increased Lump Sum Retirement Grant =** The present value of the maximum amount you can increase your tax free lump sum retirement grant to.

Please note as these figures are governed by HMRC limits, and will be calculated by the Fund on your retirement. These figures do not include any in-house AVC fund you may have (if applicable). A statement showing your in-house AVC fund value is issued separately.

This section shows your total benefits built up until 31 March 2015. **Your benefits may be reduced if paid before your Normal Pension Age (NPA) and any reduction applied is NOT reflected in your statement.**

## Section 3

### How your pension is calculated

---

**YOU MUST CHECK** the pay figures quoted in the statement. If you think the pay is incorrect contact your **EMPLOYER** not the Fund as the pay figures quoted have been supplied by your employer.

#### **Your Final Salary (FS) Pensionable Pay**

If you became a member of the LGPS before 1 April 2014, your FS Pensionable Pay shown in this section as at 31 March 2015 has been provided by your employer.

If you joined the LGPS on or after 1 April 2014, the FS field on your statement will be shown as zero.

#### **Your CARE Pensionable Pay Main Section**

From 1 April 2014, your CARE benefits are calculated on your CARE Pensionable Pay during a Scheme Year as provided by your employer.

For a full explanation of FS and CARE Pensionable Pay and how any periods of authorised unpaid leave may affect it please refer to the Funds website.

#### **Your CARE Pensionable Pay 50/50 Section**

The pay in this section is based on the definition of CARE Pensionable Pay as stated above. If a figure is shown here it means you have elected to be in the 50/50 Section. Your 50/50 Section CARE Pensionable Pay is split from your Main Section CARE Pensionable Pay so you can check the pension you have built up in each Section.

If you had been a member of both Sections of the scheme at different times during the scheme year, then you will have figures in both fields.

## Section 4

Your summary of total benefits on page 1 is made up of:

---

This section shows separately the values of your Final Salary (FS) Benefits (if applicable) and your CARE benefits. Although, the FS and CARE benefit elements are calculated differently, they form a single benefit, with both elements being linked and taken together.

### **Your Final Salary (FS) Pension Scheme**

If you joined the LGPS on or after 1 April 2014, the FS Pension field on your statement will be shown as zero.

FS benefits are calculated as follows, if you have worked part time your membership will have been adjusted:

### **Total FS Annual Pension**

- For membership to 31 March 2008 = 1/80th of FS Pensionable Pay for each year of membership,
- For membership from 1 April 2008 to 31 March 2014 = 1/60th of FS Pensionable Pay for each year of membership

### **Lump Sum Retirement Grant**

- Lump Sum retirement grant based on membership to 31 March 2008 = 3/80th of FS Pensionable Pay for each year of membership

### **Your total CARE account Opening balance**

As the year ending 31 March 2015 was the first Scheme Year for the CARE Scheme your opening balance is shown as zero.

### **Adjustment for the cost of living**

Your total CARE Pension will be adjusted each April in line with HM Treasury Revaluation Orders. As the adjustment to your benefits was made on the 1 April 2015 it is **not included** in this years statement.

### **In year build up**

For membership from 1 April 2014, you have built up benefits in the CARE scheme. Each scheme year you are a member, your CARE Pensionable Pay will be divided by either 49 if you are in the Main Section, or by 98 if you are in the 50/50 Section, and added to your pension account for that year.

### **Additional Pension Purchased and Transfers in**

Any additional pension that you have purchased during the scheme year under an Additional Pension Contribution (APC) will be shown here. Any additional CARE pension purchased from a transfer in of previous pension rights will be shown in 'Transfers in'.

## Section 5

Value of death in service benefits as at 31 March 2015

---

### **Annual Survivors Pension**

A survivor's pension is paid if, when you die, you are married, have a civil partner or eligible cohabiting partner.

The partnership status held on our records has been used to determine the survivor's benefit shown:

- If your status is held as single – no benefit will be shown. If this is not correct please send us your original certificate confirming your partnership status.
- If you have declared a cohabiting partner – the survivor's benefit shown will be based on your post 5 April 1988 membership (and any pre 6 April 1988 membership purchased by an Additional Survivor Benefits Contribution (ASBC)).
- If your status is held as married or in a civil partnership – the survivor's benefit shown will be based on all your LGPS membership.
- Survivor's pensions may be payable to eligible children, however the rates of such pensions are not shown on your ABS.

If you leave the LGPS a survivor's pension is still paid but could be a lesser sum. If you have not kept the Fund updated with your partnership status, any eligible survivor's pensions would still be paid in the event of your death upon receipt of the relevant marriage/ civil partnership certificate or evidence of meeting the requirements for payment of a survivor's benefit to a cohabiting partner.

The survivor benefits shown in this Section will have been calculated based on your Final Salary survivor benefits accrued to 31 March 2014. This includes any additional pension benefits being purchased from any Additional Regular Contributions (ARCs) that included a survivor's benefit plus the survivor benefits due under the CARE scheme but excludes any deductions due to a Pension Sharing Order.

### **Death in service lump sum**

If you die whilst an active member a death grant is payable. The amount payable would be three times your Assumed Pensionable Pay at your date of death. If however, you die whilst an active member and also have deferred benefits, a pension in payment and/ or a suspended Tier 3 ill-health pension, the amount payable would be the greater of EITHER a) the aggregate of all death in service lump sums OR b) the aggregate of all death grants from the deferred, pension in payment or suspended tier 3 ill health pension records.



### Nomination details for death in service lump sum

Please check who you have nominated to receive any death grant that may become payable in the event of your death. If this section is blank we have no record of your nomination. If you would like to make a nomination, or change one we hold for you, please complete and return the 'Expression of wish' Form that can be found on the Funds website. You can nominate whoever you wish to receive your death in service lump sum but as this is an expression of wish it is not legally binding and payment of the lump sum is at the Fund's discretion.

## Section 6

### Projections if you remain in the scheme until your Normal Pension Age (NPA)

The age shown is your current individual NPA which is linked to your State Pension Age (SPA) or if later age 65. Therefore, this age may change if your SPA changes in the future before your benefits are paid. Your NPA only applies to benefits built up in the CARE scheme. NPA for benefits built up before 1 April 2014 is still 65.

It is possible to take your benefits earlier than your NPA, from age 55, although a reduction would be applied for early payment. The figures in this statement **DO NOT** take account of the reductions that would be applied. If your NPA is after age 65 and you have FS benefits, these FS benefits will be subject to actuarial increase in respect of the period from age 65 to NPA and these increases are included in the projected figures to NPA. The increases applied are based on the current rates and are subject to review by the Government Actuary's Department which may go down or up. The rates applicable at the date of retirement will apply.

Your projection of benefits is based on your CARE Pensionable Pay for the Scheme Year ended 31 March 2015. It assumes that your pay will not change to your NPA and does not assume pay inflation or inflation under HM Treasury Revaluation Orders for future benefit accrual under the CARE or FS scheme.

When you leave the Scheme your FS benefits will be based on your FS Pensionable Pay, under the 2008 Scheme definition of pensionable pay. See the Funds website for the full 2008 Scheme pay definition.

The projected CARE benefits include any Additional Pension Contributions (APCs) or Shared Cost Additional Pension Contributions (SCAPCs) purchased but exclude any deductions due to Scheme Pays or a Pension Sharing Order. The projection of benefits is based on the Section of the scheme you were a member of as at 31 March 2015.

Survivor's pensions are generally based on all your scheme membership, however, there are some exclusions for membership counted towards the calculation of these benefits. See the Funds website for further information.

## Section 7

### Your membership history

This section shows your membership in this scheme including any periods of part time service. Membership is shown up until 31/03/2014 as it is only used in the calculation of final salary benefits. If your hours changed after this date we will continue to update our records but it will no longer be shown on the annual statements.

## Section 8

### Tax and your pension

#### Lifetime Allowance

The Lifetime Allowance (LTA) is the limit on the total value of pension benefits you can draw from all pension arrangements without incurring a Lifetime Allowance Tax Charge. The standard LTA is currently £1.25m and has been since 6 April 2014; from 6 April 2016 it will reduce to £1m.

If the percentage of standard LTA shown on your statement is greater than 100%, you may have to pay tax on the excess over the LTA when you take payment of your benefits. This may also be the case if you have other pension benefits (including in house AVCs which are not included in this statement) that when combined with your LGPS benefits have a value exceeding the LTA. If excess benefits are taken as annual pension the charge on the value of excess pension (calculated as 20 x the excess annual pension) will be at the rate of 25%, with income tax deducted on the ongoing pension payments. If the excess benefits are taken as a lump sum the excess lump sum will be taxed once, at the rate of 55%.

#### In association with







WARWICKSHIRE  
pension fund

# Your Deferred Annual Benefit Statement as at 6 April 2015

## Your personal information

Name	<input type="text"/>		
Date of Birth	<input type="text"/>	Marital Status	<input type="text"/>
Employer	<input type="text"/>		
Employee No.	<input type="text"/>	Date of leaving	<input type="text"/>

## Your Deferred Benefits at 6 April 2015

<b>Annual Pension</b>	<input type="text"/>
Including Pensions Increase of	<input type="text"/>
<b>Lump Sum Retirement Grant</b>	<input type="text"/>
Including Pensions Increase of	<input type="text"/>
<b>Date benefits payable from</b>	<input type="text"/>
<b>Surviving Spouse's / Partner's Pension</b>	<input type="text"/>
Including Pensions Increase of	<input type="text"/>

## Your Death Grant Nomination details

If blank please complete the Death Grant Expression of Wish Form located at the back of the statement.

<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

**Please note:** only the largest death grant will be paid if entitled to other death grants from any other Local Government Pension Scheme membership.

# Guide to your Deferred Annual Benefit Statement

## Your Deferred Annual Benefit Statement as at 6 April 2015

### Your personal information

Name	<input type="text"/>		
Date of Birth	<input type="text"/>	Marital Status	<input type="text"/>
Employer	<input type="text"/>		
Employee No.	<input type="text"/>	Date of leaving	<input type="text"/>

### Your Deferred Benefits at 6 April 2015

Annual Pension	<input type="text"/>	①
Including Pensions Increase of	<input type="text"/>	②
Lump Sum Retirement Grant	<input type="text"/>	③
Including Pensions Increase of	<input type="text"/>	④
Date benefits payable from	<input type="text"/>	⑤
Surviving Spouse's / Partner's Pension	<input type="text"/>	⑥
Including Pensions Increase of	<input type="text"/>	⑦

### Your Death Grant Nomination details

Your most recent recorded nomination date	<input type="text"/>	⑧
---	----------------------	---

**Please note:** If you currently pay contributions into the Warwickshire Pension Fund in another job, you will receive a further statement later this year.



**Disclaimer:** This Statement is issued for your information only. It is not a statement of entitlement and does not confer any rights other than those provided by the relevant Local Government Pension Scheme Regulations. Benefits will be paid in accordance with those regulations and all overriding pension legislation. Warwickshire Pension Fund is not liable to pay any benefits arising through error or omission.

## Notes

1. This is the current value of your deferred annual pension at 6 April 2015.
2. This is the Pensions Increase (PI) which has been added to your pension since you left and is included in the current value above.
3. This is the current value of your deferred lump sum retirement grant at 6 April 2015.
4. This is the PI which has been added to your lump sum since you left and is included in the current value above.
5. This is the date when your deferred benefits become payable to you without reduction.
6. This is the current value of a survivor's pension if, when you die, you are married/a civil partner or nominated cohabiting partner. If no survivor's pension value is shown we may not have your status recorded correctly, in this case please contact Pension Services to update your details.
7. This is the PI which has been added to your surviving partner's pension since you left and is included in the current value above.
8. This section shows who you have nominated to receive a death grant payment should you die before receiving your deferred benefits. If your employment ended before 1 April 2008 then the retirement grant would be paid as the death grant. If your employment ended after 1 April 2008, then five times the annual pension would be paid as a death grant



# Reply Form Deferred Annual Benefit Statement 2015

**There is no need to return this form if your details are correct.** Please help us to help you by making sure that we have the correct information on our files. Check carefully the information shown on your deferred benefit statement and complete this form to notify us of any amendments that you wish to make.

## Your personal information

Title	<input type="text"/>	Forenames	<input type="text"/>
		Surname	<input type="text"/>
		Previous Surname	<input type="text"/>

If a change of name is due to a change of circumstances, please provide copies of relevant certificates

Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Postcode	<input type="text"/>

Date of Birth	<input type="text"/>	Marital Status	<input type="text"/>
---------------	----------------------	----------------	----------------------

Please provide copies of Birth, Marriage, Civil Registration and Decree Absolute certificates where applicable

## Details of your pension enquiry

**You MUST SIGN here to give us the authority to update your information.**

Sign	<input type="text"/>	Date	<input type="text"/>
------	----------------------	------	----------------------

Print Name	<input type="text"/>
------------	----------------------

Please return completed form to the following address:  
**Warwickshire Pension Fund**, Treasury & Pensions Group, Warwickshire County Council,  
PO Box 3, Shire Hall, Warwick, CV34 4RL

# Death Grant Expression of Wish Form



Please complete in **BLOCK CAPITALS** and ensure that you sign the form.

## Your personal information

Title  Forenames   
Surname   
Date of Birth  NI Number

In the event of my death, I request that you exercise the discretion granted by the Local Government Pension Scheme (Administration) Regulations 2008 and pay any Death Grant to the person or persons named below. I understand that this document does not restrict the absolute discretion of the Scheme administrators and also that it may be revised or revoked by me at any time.

1

Name  Date of Birth   
Address   
Postcode  Proportion of Benefit  %

2

Name  Date of Birth   
Address   
Postcode  Proportion of Benefit  %

3

Name  Date of Birth   
Address   
Postcode  Proportion of Benefit  %

4

Name  Date of Birth   
Address   
Postcode  Proportion of Benefit  %

The total proportion of benefit must equal 100%. **Please keep these details up-to-date.**

Sign  Date   
Print Name

Please return completed form to the following address:  
**Warwickshire Pension Fund**, Treasury & Pensions Group, Warwickshire County Council,  
PO Box 3, Shire Hall, Warwick, CV34 4RL

## Get in touch

If you have any queries regarding your statement please complete the attached reply form and return to the address below.

A newsletter for deferred members to accompany this statement is available on our website at [www.warwickshire.gov.uk/pensions](http://www.warwickshire.gov.uk/pensions) under the section headed 'Pension guides, publications and newsletters'.

### Our Contact Details

- Telephone**      ➤    01926 412234
- Email**            ➤    [pensions@warwickshire.gov.uk](mailto:pensions@warwickshire.gov.uk)
- Website**        ➤    [www.warwickshire.gov.uk/pensions](http://www.warwickshire.gov.uk/pensions)
- Address**        ➤    Warwickshire Pension Fund, Treasury & Pensions Group,  
Warwickshire County Council, PO Box 3, Shire Hall, Warwick, CV34 4RL

### In association with

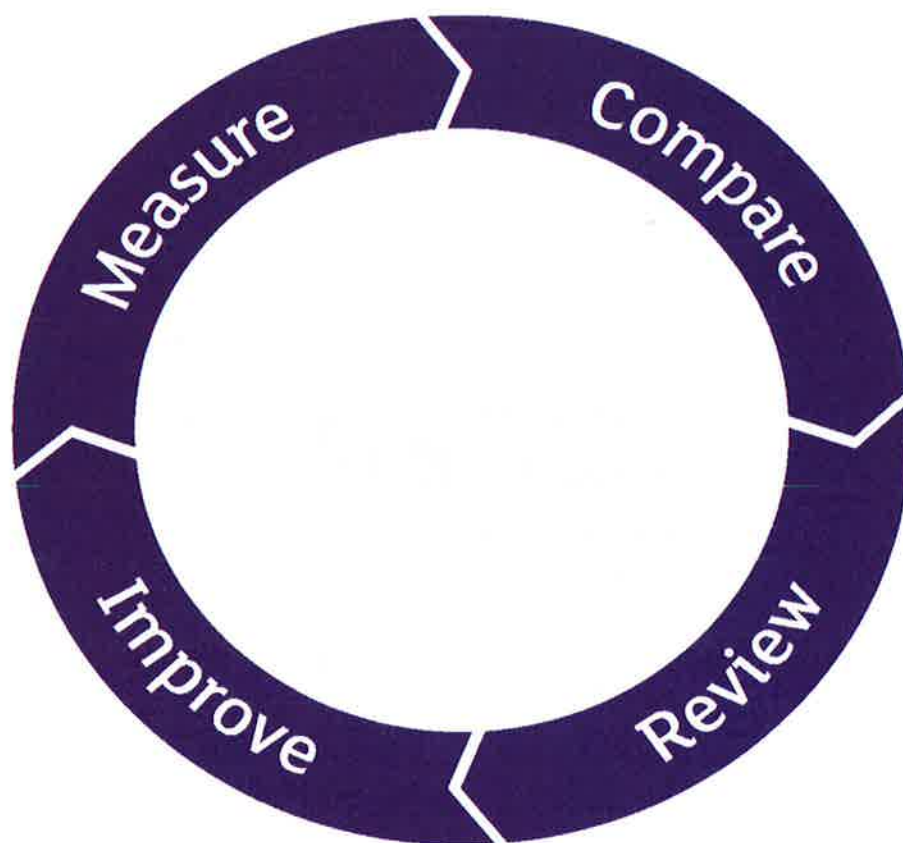


## Notes

Information Services

# pensions administration benchmarking club

2015 - Warwickshire Final Report



## PREFACE

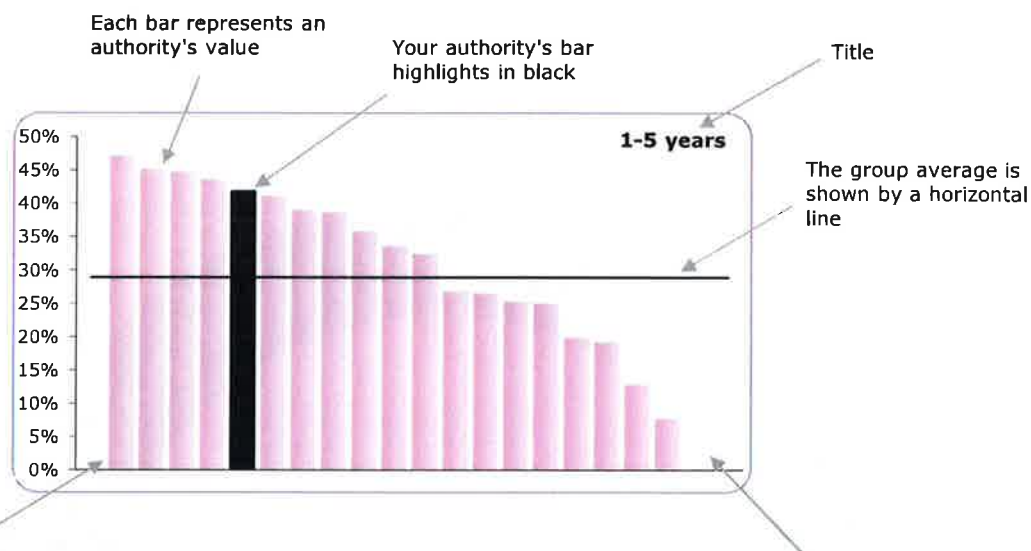
This report compares your data with the group of authorities specified on the title page.

Throughout the report your figures are shown in tables and in graphical form. If you are not familiar with our reports we hope this page will help you to better understand the way we present this data.

**Averages:** Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded and for this reason sets of averages sometimes do not reconcile precisely.

**Charts:** We display a large amount of data on charts as this allows us to show the data for the entire group efficiently and gives far more information than a simple average (i.e. range of data, individual authority values etc.). Below we have annotated an example chart to help explain what they are showing.

**Bar Charts:** These are our standard method of displaying a full set of data



'Missing bars' on the left represent missing data or excluded data and are not included in calculating the average

Staff experience			
	FTE	%	Avg
< 1 year	1.5	10%	9%
1-5 years	6.5	42%	29%
5-10 years	3.5	23%	21%
> 10 yrs	4.0	26%	41%
<b>Total</b>	<b>15.5</b>		

'Missing bars' on the right represent zero values and are included in the average



# INTRODUCTION

This report compares your performance with the group of authorities specified on the title page. It is divided into the following sections.

	Page
1 Summary 2015	4
2 Cost Measures	5
3 Workload Measures	11
4 Staff Related Measures	20
5 Industry Standard Performance Indicators	24
6 Comparison by method of service delivery } <i>final reports</i>	25
7 Timeseries } <i>final reports only</i>	26

## **Section 1 - Summary 2015**

This page provides a brief summary of the most salient aspects of the report.

## **Section 2 - Cost Measures**

This section concentrates on cost/member ratios starting with total cost/member which is then broken down by staff costs, payroll costs, direct costs, overheads and income. Further analysis of direct costs and overheads is also provided in this section.

## **Section 3 - Workload Measures**

The first measure of workload is the number of members in the scheme, which is shown along with a breakdown by class of membership. This is followed by an analysis of the number and type of LGPS employers.

Other workload measures include:

- Joiners and leavers with a full analysis of the various types of retirements
- Number of quotations provided and actual events processed
- AVCs, ARCs and Added years
- Appeals

## **Section 4 - Staff Related Measures**

The measures included here are an analysis of staff numbers by pay band, sickness absence, pensions work experience, staff qualifications and staff turnover.

## **Section 5 - Industry Standard Performance Indicators**

In this section we show how authorities perform against each of the LGPC performance indicators.

## **Section 6 - Comparison by Method of Service Delivery (final report only)**

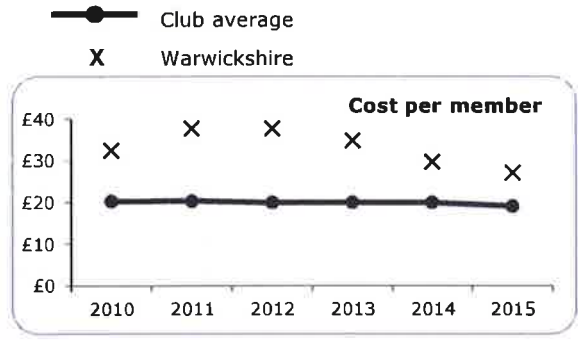
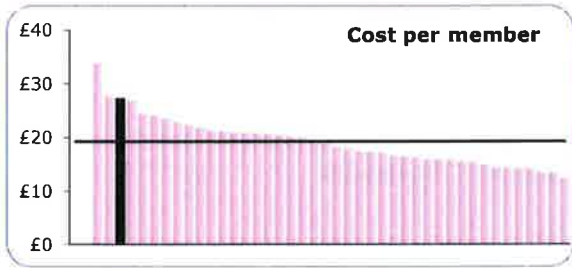
This shows members' costs and averages compared for in-house and externally managed pension schemes.

## **Section 7 -Timeseries (final report only)**

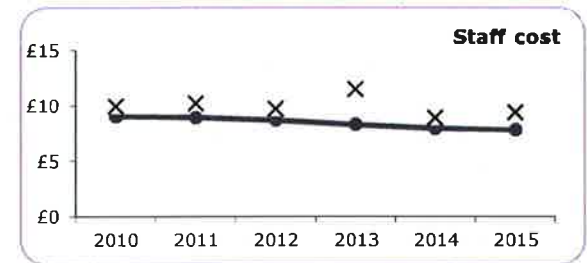
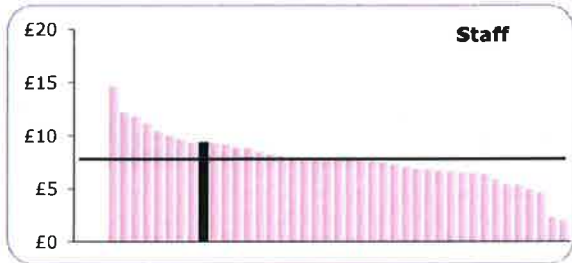
This shows the individual members' performance over time compared to the club average for cost per member, which is analysed over staff cost and other costs.

# SECTION 1 - SUMMARY 2014/15

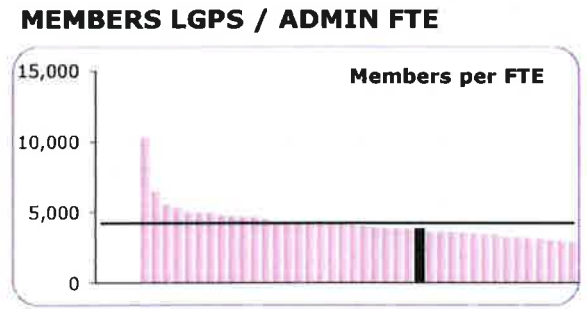
## NET COST / MEMBER 2014/15



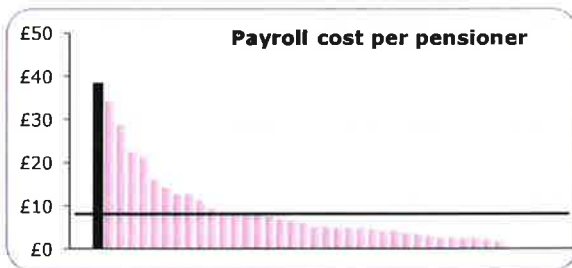
## STAFF COST / MEMBER 2014/15



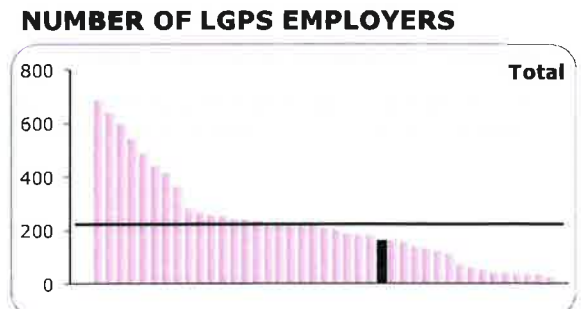
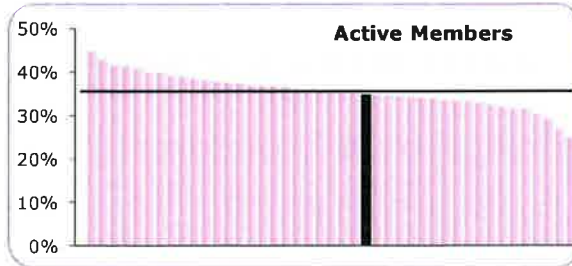
## COST £'000 / FTE



## PAYROLL COST / PENSIONER



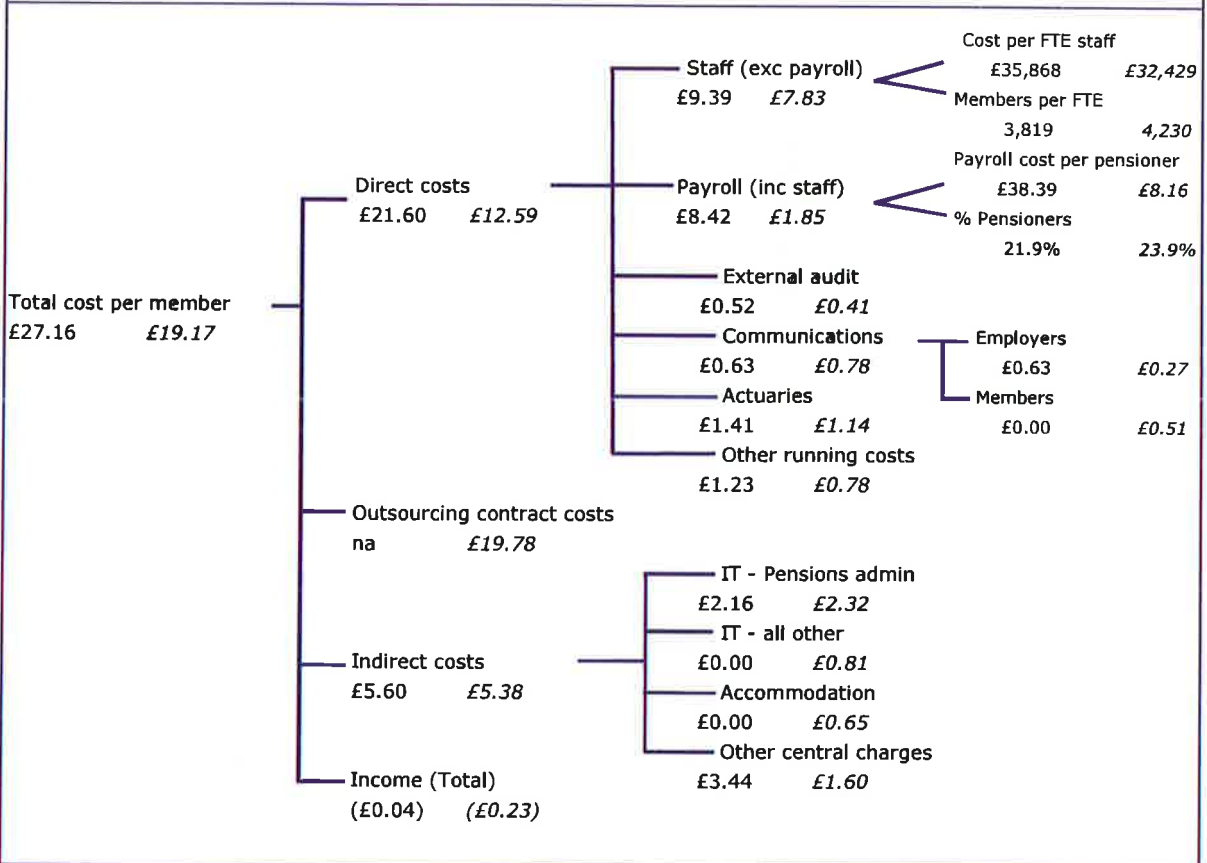
## ACTIVES AS A % MEMBERS



## SECTION 2 - COST MEASURES

### COST/MEMBER TREE 2014/15

This tree diagram analyses the cost per member. For each benchmark two figures are given the first being the authority's cost and the second (in italics) is the group average.



FTE staff	
Pension Section total	17.1
less	
IT staff	0.5
Payroll staff	1.0
Communications staff	1.5
Employing authority work	1.0
Work for other schemes	1.0
Other work	-
<b>Admin of LGPS</b>	<b>12.1</b>

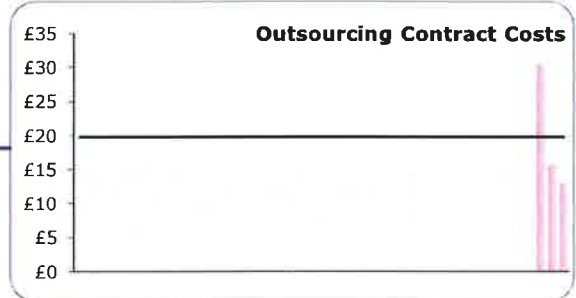
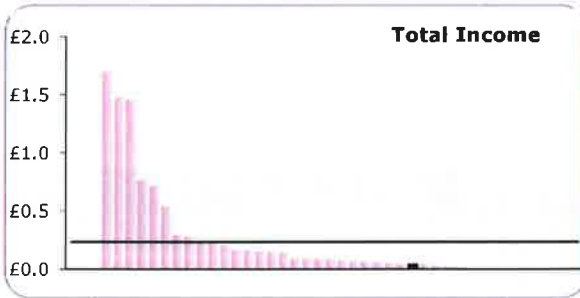
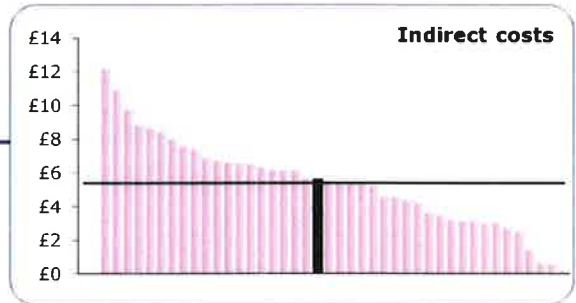
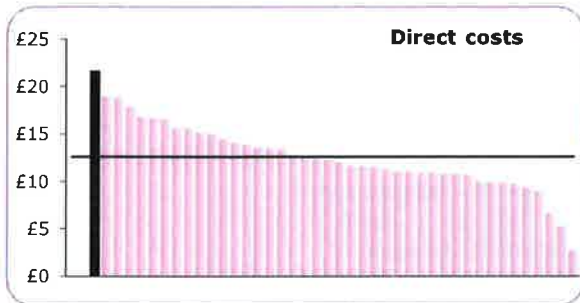
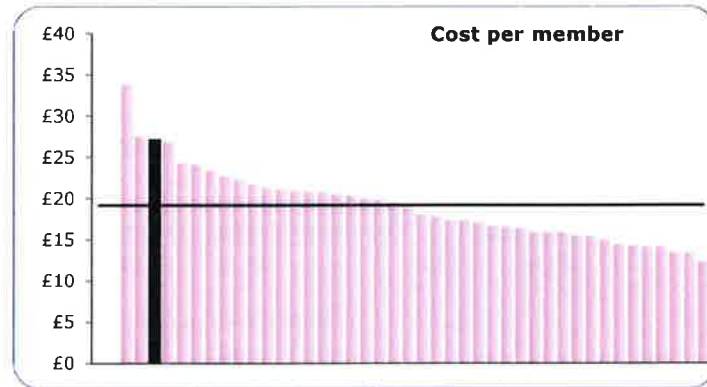
Net Costs £'000	
	£'000
Pension Section total	1,269
less	
Work for other schemes	-
Employing authority work	-
Other work	14
<b>Admin of LGPS</b>	<b>1,255</b>

Admin of LGPS costs	£'000		£ per member	
				Avg
Staff - administration	434	9.39	7.83	
Staff - payroll	-	-	0.36	
Payroll	389	8.42	1.49	
Communications (Total)	29	0.63	0.78	
Actuaries	65	1.41	1.14	
External audit	24	0.52	0.41	
Other running costs	57	1.23	0.78	
<b>Total Direct Costs</b>	<b>998</b>	<b>21.60</b>	<b>12.59</b>	
<b>Outsourcing costs</b>	<b>-</b>	<b>na</b>	<b>19.78</b>	
IT - Pensions admin	100	2.16	2.32	
IT - All other	-	-	0.81	
Accommodation	-	-	0.65	
Other central charges	159	3.44	1.60	
<b>Total Indirect Costs</b>	<b>259</b>	<b>5.60</b>	<b>5.38</b>	
<b>Gross Cost</b>	<b>1,257</b>	<b>27.20</b>	<b>19.39</b>	
Income - Members	-	-	(0.06)	
Income - Employers	-	-	(0.11)	
Income - Other	(2)	(0.04)	(0.06)	
<b>Total Income</b>	<b>(2)</b>	<b>(0.04)</b>	<b>(0.23)</b>	
<b>Net Cost</b>	<b>1,255</b>	<b>27.16</b>	<b>19.17</b>	

**Total Scheme Membership 46,214**

\*Outsourcing Contract Costs average only includes those members who have outsourcing costs.

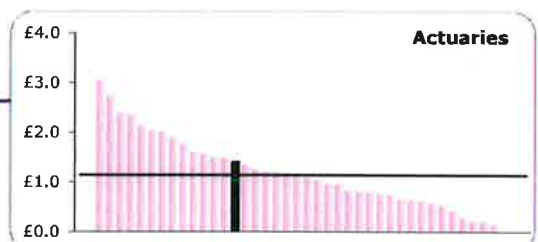
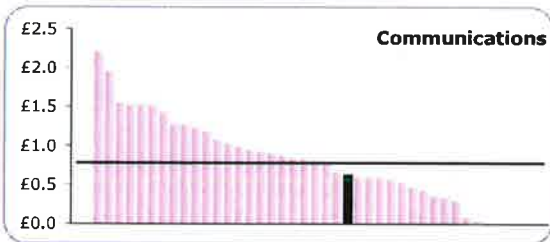
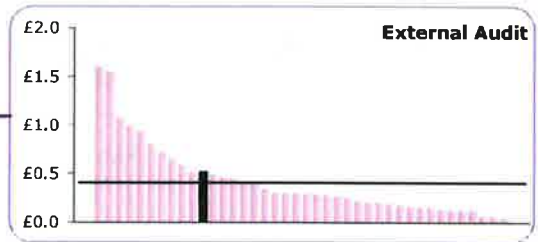
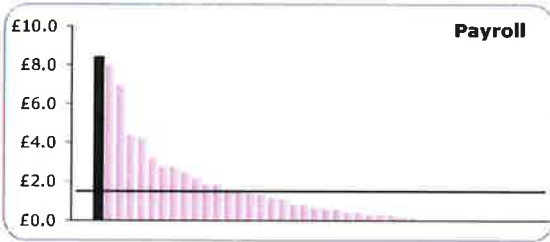
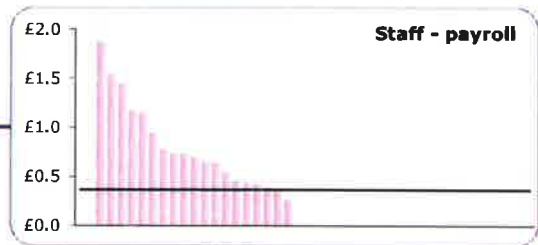
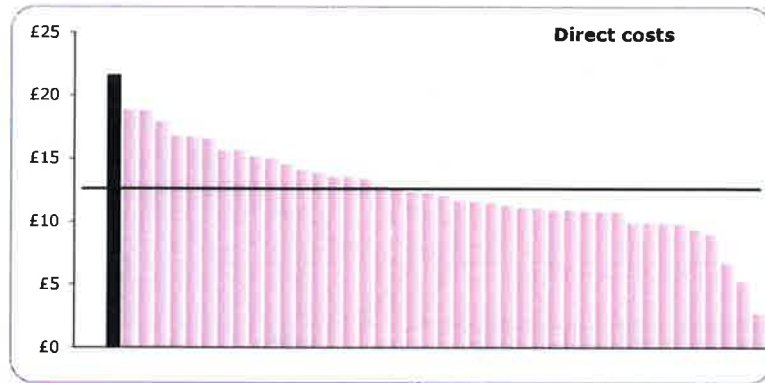
# COST PER MEMBER 2014-15



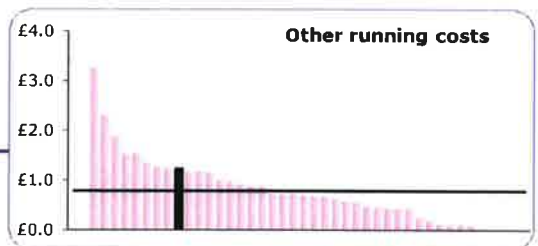
Admin of LGPS costs	£'000	£ per member	Avg
Total Direct Costs	998	21.60	12.59
Outsourcing costs	-	na	19.78
Total Indirect Costs	259	5.60	5.38
Total Income	(2)	(0.04)	(0.23)
<b>Net Cost</b>	<b>1,255</b>	<b>27.16</b>	<b>19.17</b>

**Total Scheme Membership 46,214**

## COSTS PER MEMBER - Direct costs 2014/15

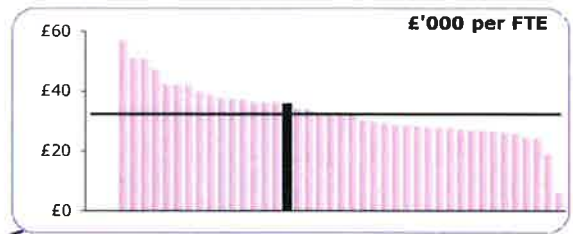
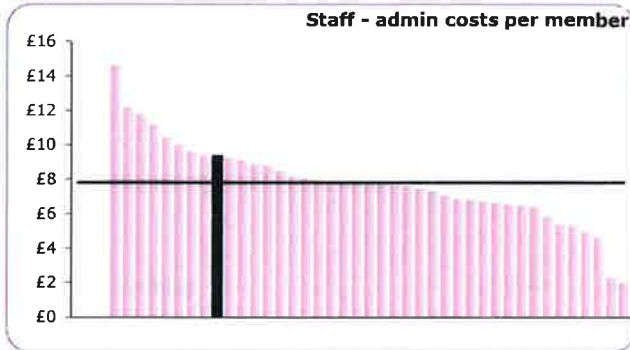


Direct costs	£'000	£ per member	Avg
Staff - admin	434	9.39	7.83
Staff - payroll	-	-	0.36
Payroll	389	8.42	1.49
External audit	24	0.52	0.41
Communications	29	0.63	0.78
Actuaries	65	1.41	1.14
Other running costs	57	1.23	0.78
<b>Total</b>	<b>998</b>	<b>21.60</b>	<b>12.59</b>

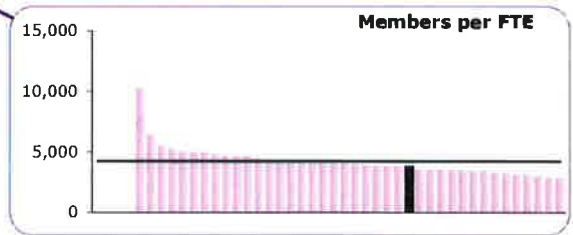


# DIRECT COSTS PER MEMBER - Staff and Payroll costs 2014/15

	£'000	£ per member	Avg
Staff - admin	434	9.39	7.83

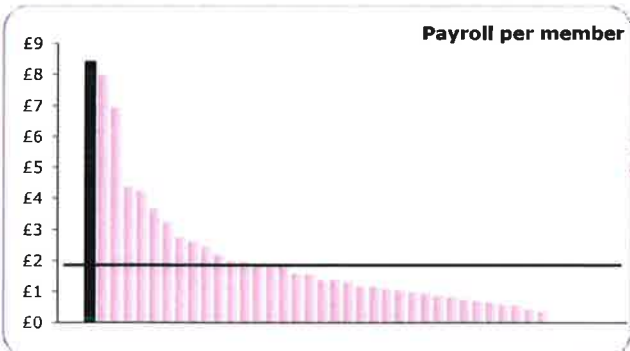


Warwickshire 35.9 Avg 32.4

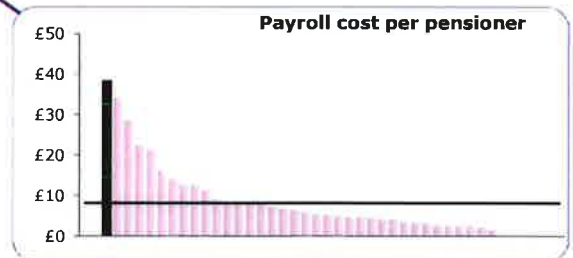


Warwickshire 3,819 Avg 4,230

	£'000	£ per member	Avg
Payroll (combined)	389	8.42	1.85

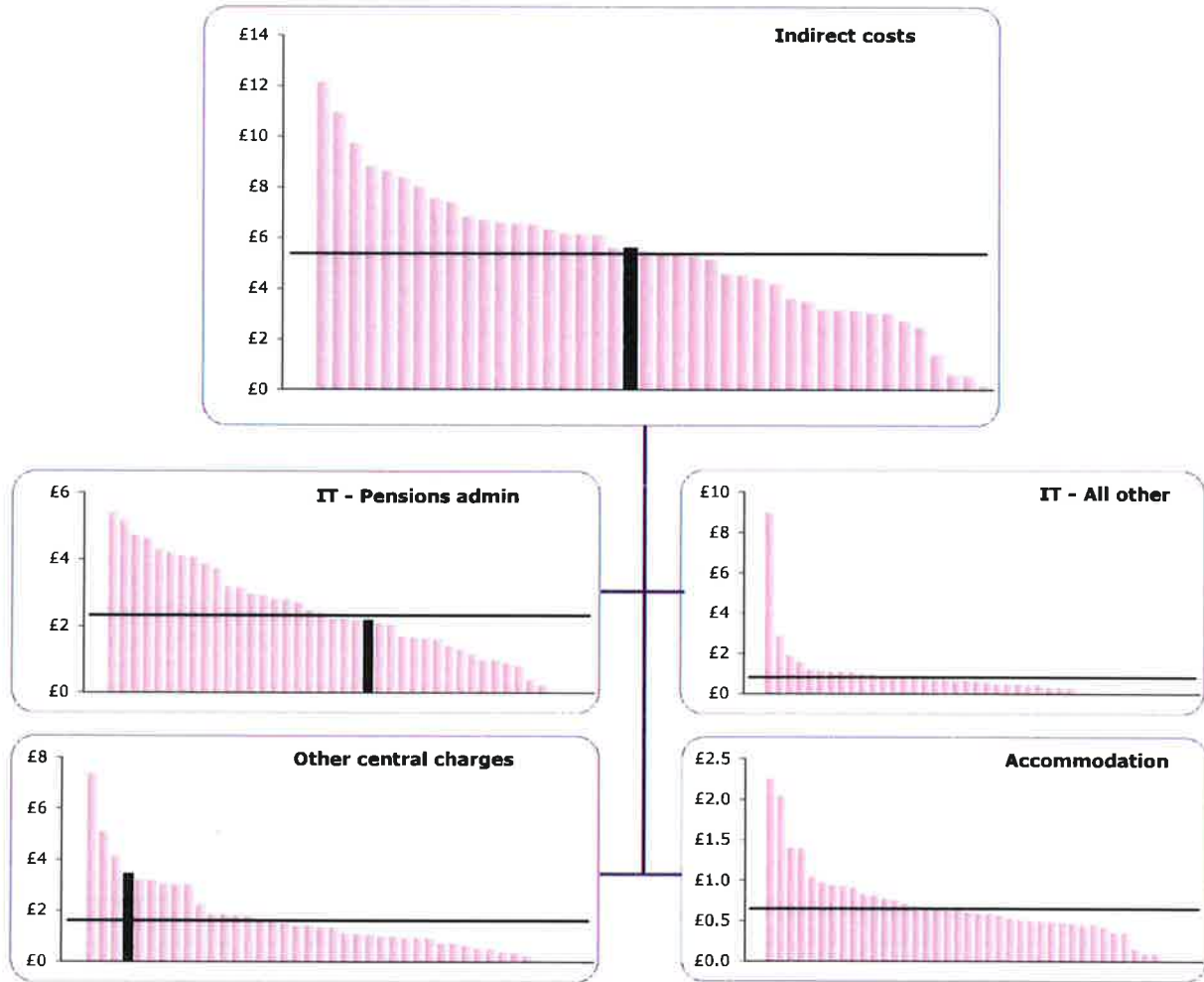


Warwickshire 22% Avg 24%



Warwickshire 38.4 Avg 8.2

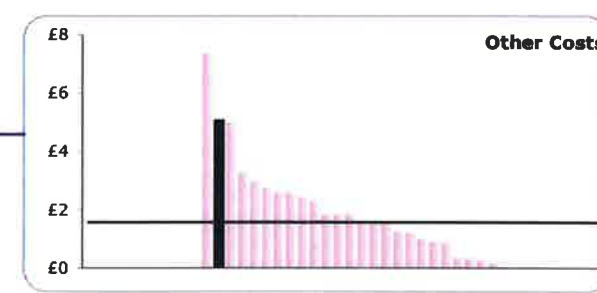
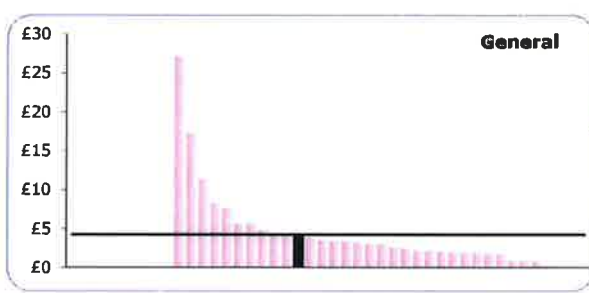
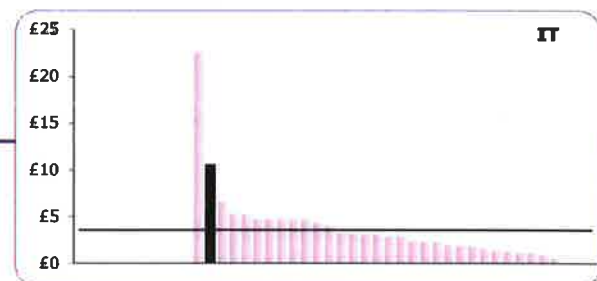
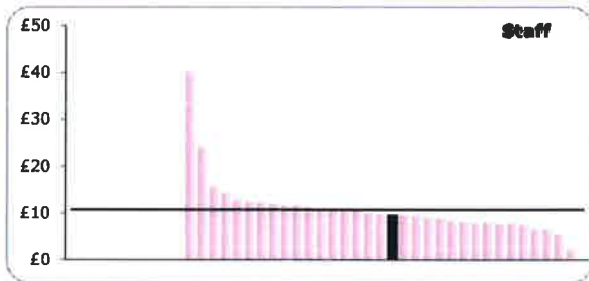
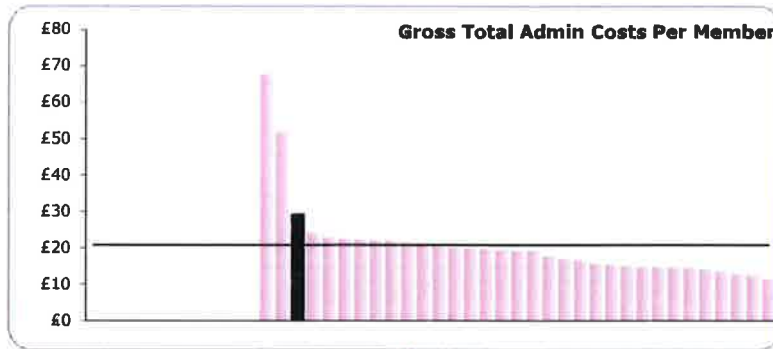
## COSTS PER MEMBER - Indirect costs 2014/15



Indirect costs		£'000	£ per member	Avg
IT - Pensions admin	100	2.16	2.32	
IT - All other	-	-	0.81	
Accommodation	-	-	0.65	
Other central charges	159	3.44	1.60	
<b>Total</b>	<b>259</b>	<b>5.60</b>	<b>5.38</b>	



**COSTS PER MEMBER - LGPS Administration Expenses Analysis 2014/15**

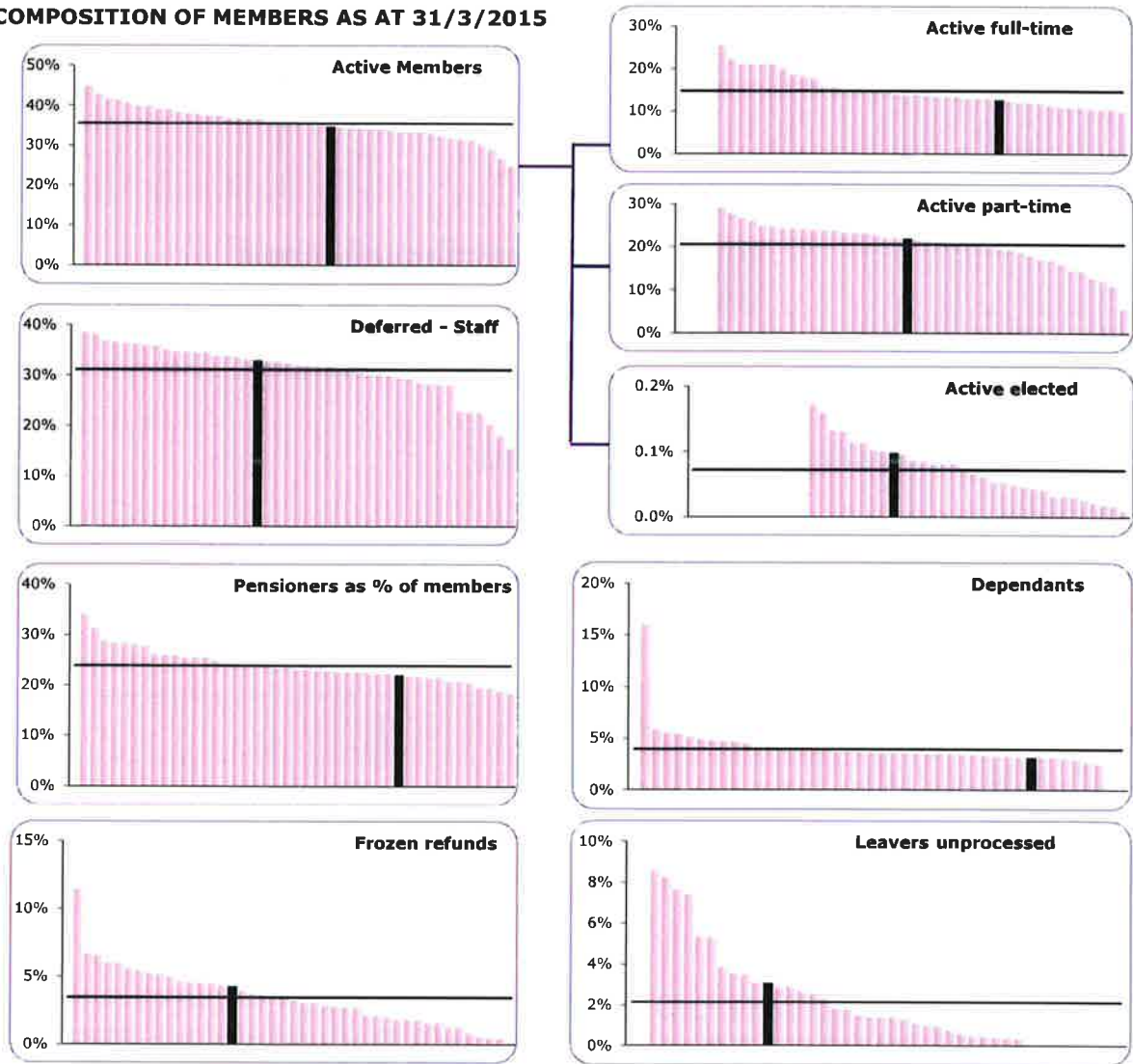


LGPS Administration Expenses		£ per member	
	£'000		Avg
Staff Costs	448	9.69	10.71
IT Costs	489	10.58	3.59
General Costs	188	4.07	4.25
Other Costs	235	5.09	1.57
<b>Gross LGPS Admin Exp.</b>	<b>1,360</b>	<b>29.43</b>	<b>20.84</b>
<b>Gross LGPS Income</b>	<b>2</b>	<b>0.04</b>	<b>0.44</b>
<b>Net LGPS Admin Exp.</b>	<b>1,358</b>	<b>29.39</b>	<b>23.87</b>



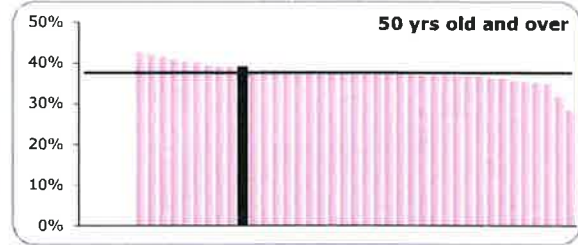
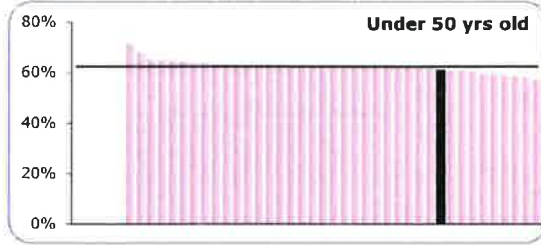
## SECTION 3 - WORKLOAD MEASURES

### COMPOSITION OF MEMBERS AS AT 31/3/2015



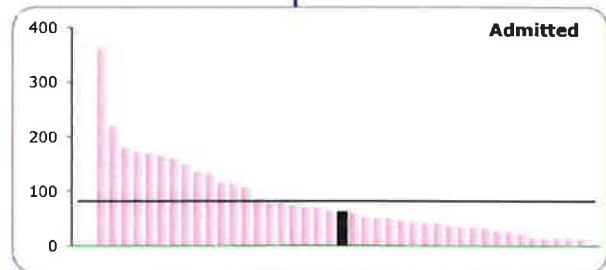
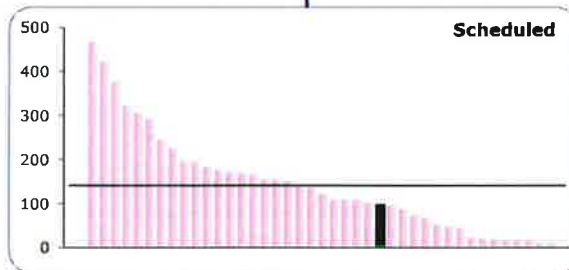
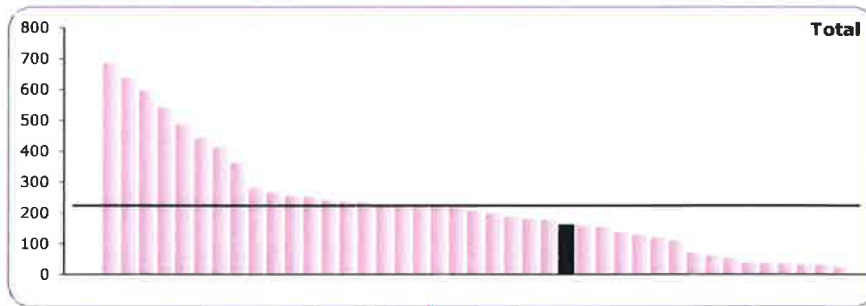
Composition of members				
	No.	%	Avg	Avg %
<b>Active:</b>				
- full-time	5,824	13%	15,569	14.8%
- part-time	10,157	22%	17,862	20.7%
- no. of elected Members	45	0.10%	52	0.07%
<b>- sub-total</b>	<b>16,026</b>	<b>35%</b>	<b>33,067</b>	<b>35.5%</b>
<b>Deferred:</b>				
- Staff	15,210	33%	27,618	31.1%
- Elected Members	18	0.0%	21	0.0%
Pensioners	10,134	22%	22,128	23.9%
Dependants	1,456	3.2%	3,629	3.9%
Frozen refunds	1,963	4.2%	2,848	3.4%
Leavers unprocessed	1,407	3.0%	1,805	2.1%
<b>Total</b>	<b>46,214</b>		<b>91,115</b>	

## COMPOSITION OF MEMBERS AS AT 31/03/2015



Composition of active members			
	No.	%	Avg
Under 50 yrs old	9,777	61%	62%
50 yrs old and over	6,249	39%	38%

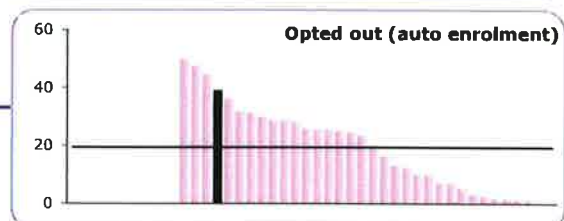
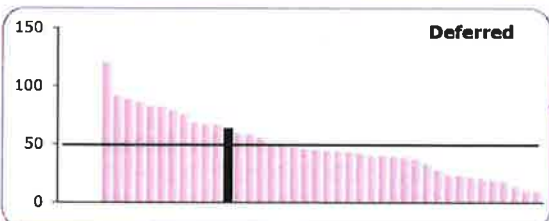
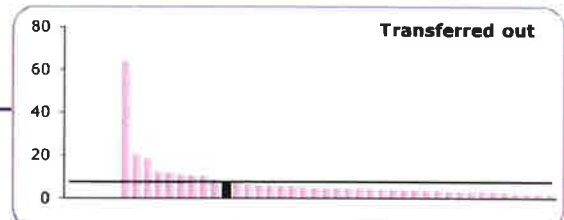
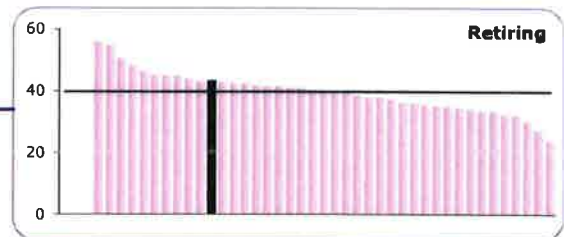
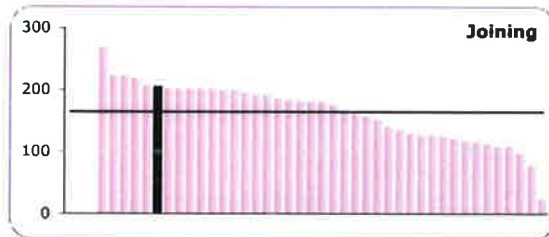
## NUMBER OF LGPS EMPLOYERS AS AT 31/03/2015



LGPS employers (31/3/15)						
	No.	Avg	of which:	No.	%	Avg
Scheduled	99	141	Local Authorities	6	6%	9%
Admitted	62	82	Transferee	30	48%	46%
<b>Total</b>	<b>161</b>	<b>223</b>				

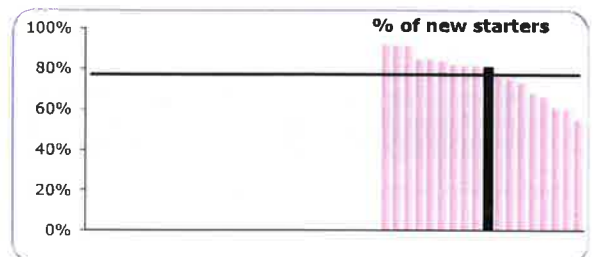
Employer changes 2014/15						
	Applied		Admitted		Leaving	
	No.	Avg	No.	Avg	No.	Avg
Scheduled	20	17	20	20	-	3
Admitted	11	9	11	9	-	4

## JOINERS & LEAVERS (per '000 active members)



Joiners & leavers (per '000 active members)			
	No.	'000	Avg
Joining	3,301	206	164
Retiring	693	43	40
Deaths	285	18	23
Transferred out	123	8	8
Deferred	1,019	64	50
Opted out	626	39	19
<b>Total</b>	<b>6,047</b>	<b>377</b>	<b>298</b>

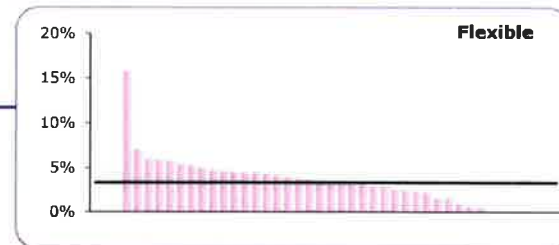
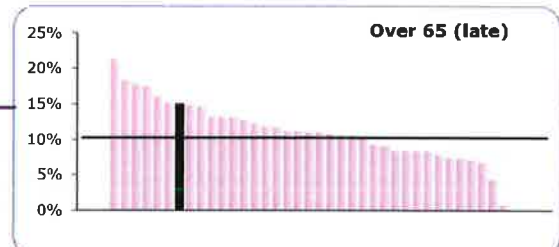
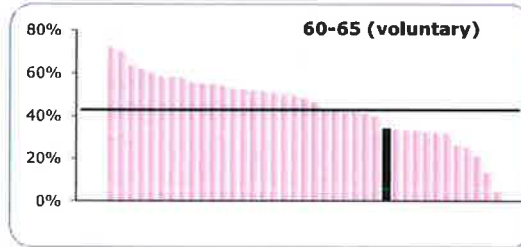
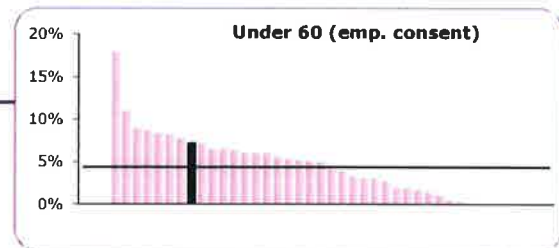
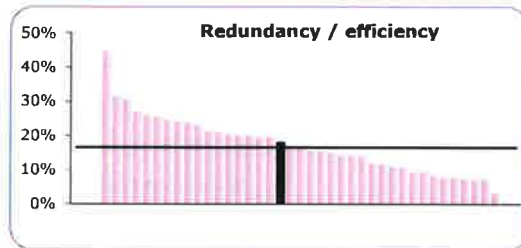
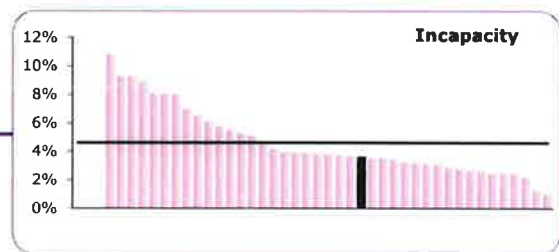
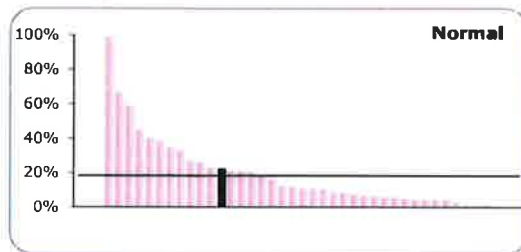
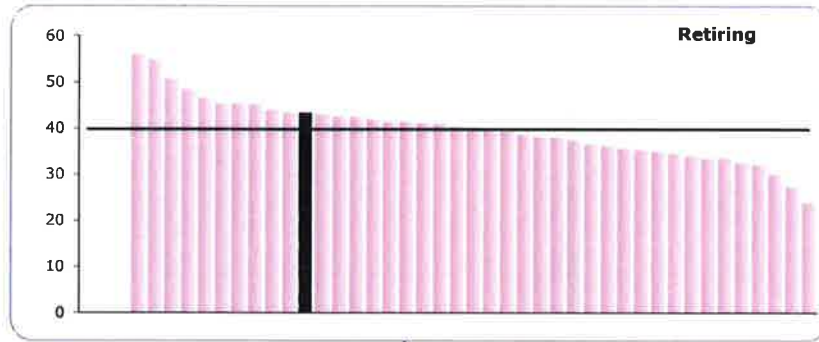
## LGPS members as % eligible employees



Warwickshire 81% Avg 76%

Warwickshire 81% Avg 77%

## RETIRING (per '000 active members)

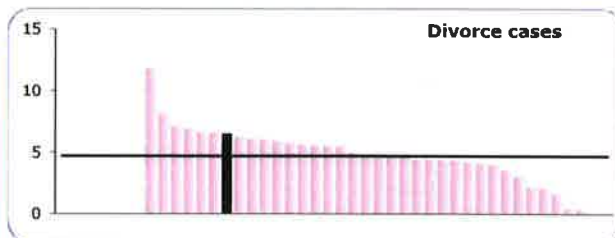
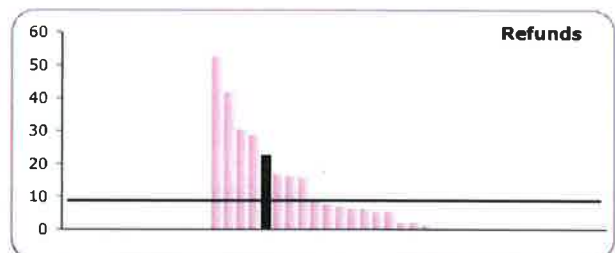
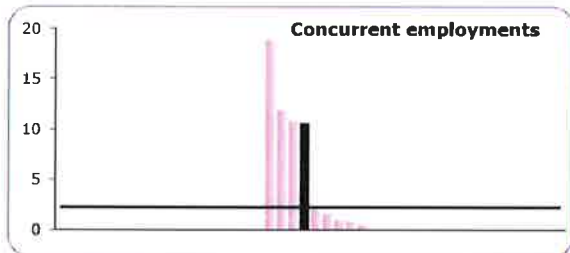
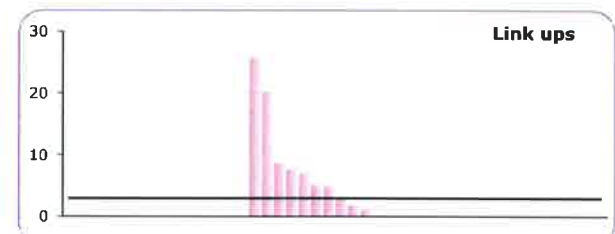
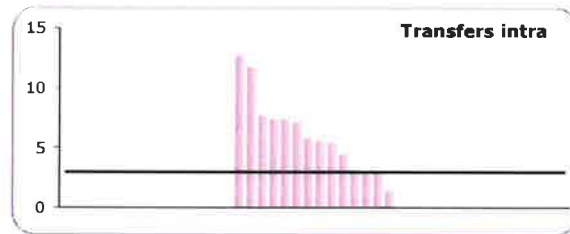
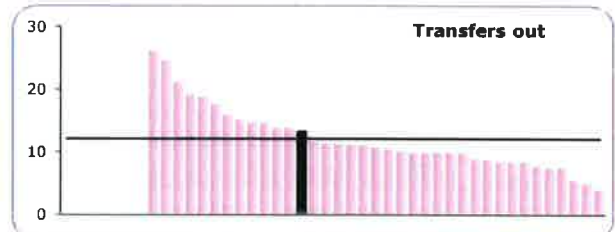
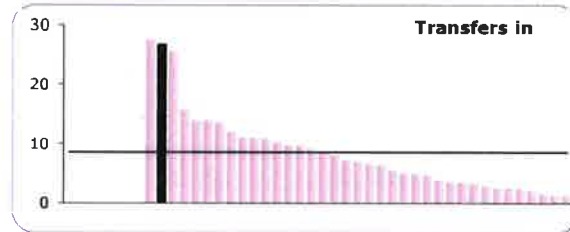


Retirements	No.	%	Avg
Normal	154	22%	18%
Incapacity/ill-health	25	4%	5%
Redundancy/efficiency	125	18%	17%
Under 60 (emp. consent)	50	7%	4.4%
60-65 (voluntary)	235	34%	43%
Over 65 (late)	104	15%	10%
Flexible	-	0.0%	3.3%
<b>Total</b>	<b>693</b>		

Retiring (per '000 active members)			
	No.	'000	Avg
Retiring	693	43	40

Active members	
	16,026

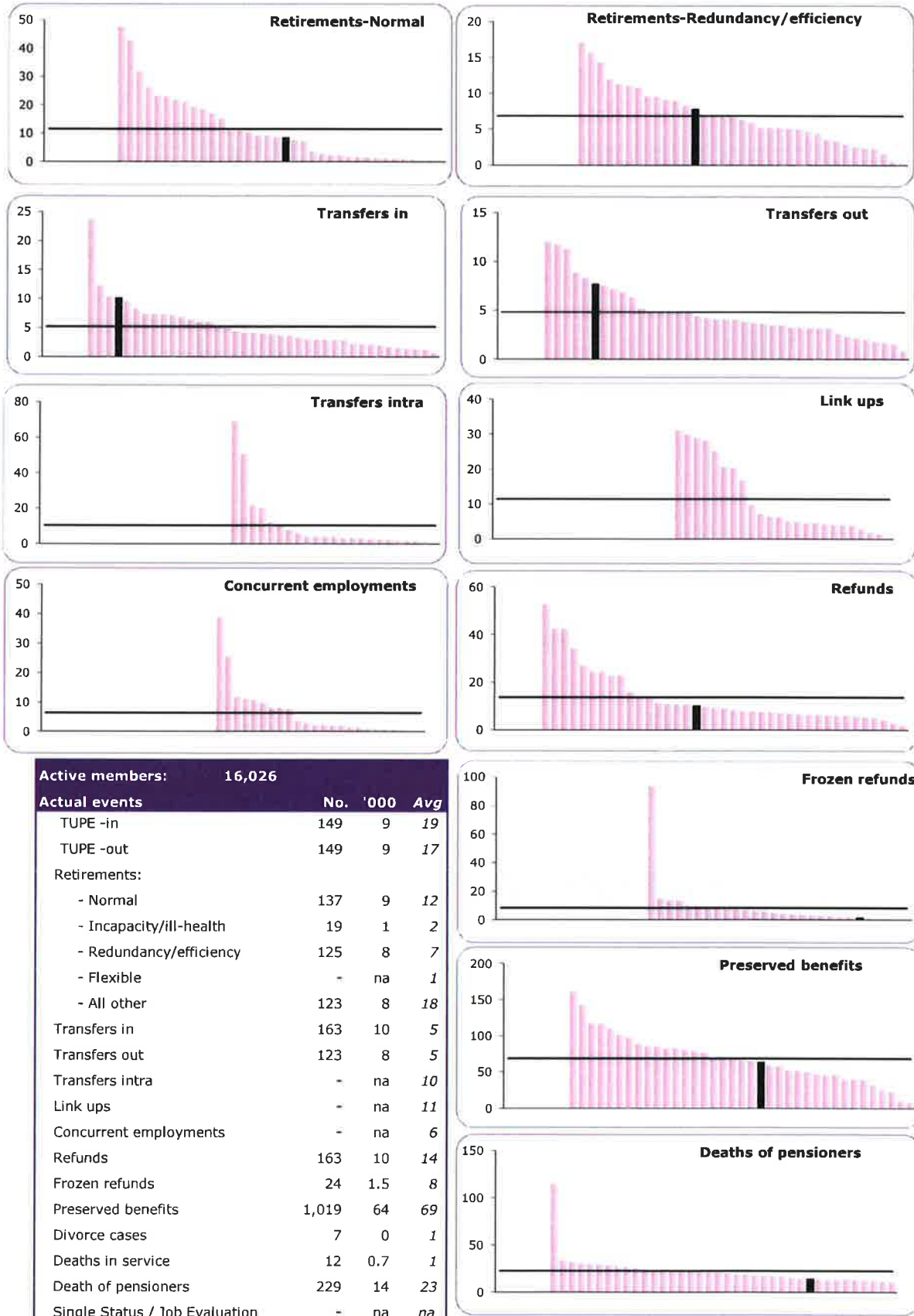
**NUMBER OF QUOTATIONS PROVIDED (per '000 active members)**



Active members: 16,026		No. '000	Avg
<b>Quotations provided</b>			
TUPE -in	-	-	0
TUPE -out	-	-	0
<b>Retirements:</b>			
- Normal	210	13	17
- Incapacity/ill-health	31	2	2
- Redundancy/efficiency	375	23	17
- Flexible	4	0	1
- All other	505	32	22
Transfers in	429	27	9
Transfers out	213	13	12
Transfers intra	-	-	3
Link ups	-	-	3
Concurrent employments	169	11	2
Refunds	360	22	9
Divorce cases	104	6	5
Deaths in service	12	1	0
Deaths of pensioners	229	14	4

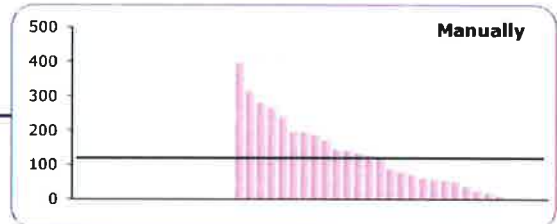
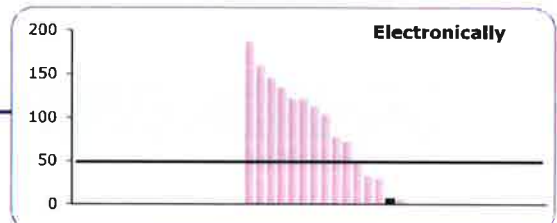
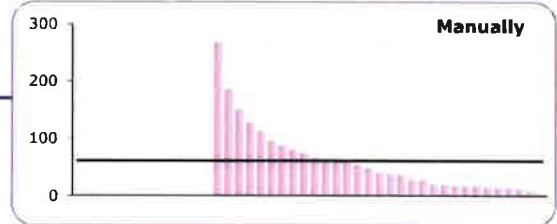
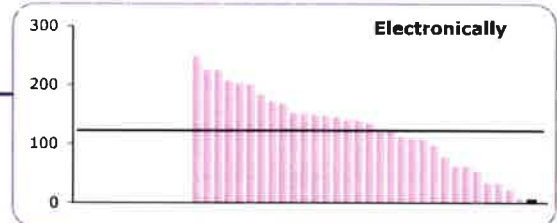
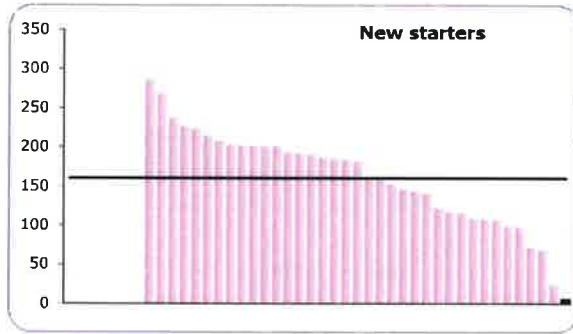
No of bulk transfers		No. '000	Avg
TUPE -in	149	9	5
TUPE -out	149	9	4

**NUMBER OF ACTUAL EVENTS (per '000 active members)**





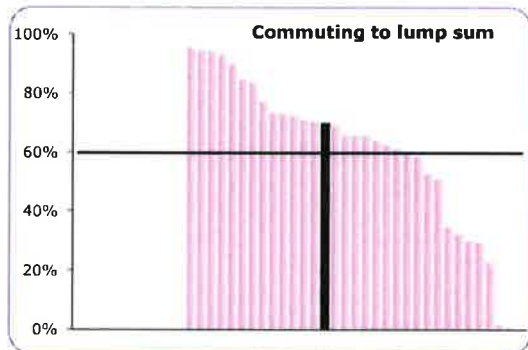
**ACTUAL CALCULATIONS (per '000 active members)**



**RETIREMENTS**

Active members  
16,026

**Retirements commuting to lump sum**

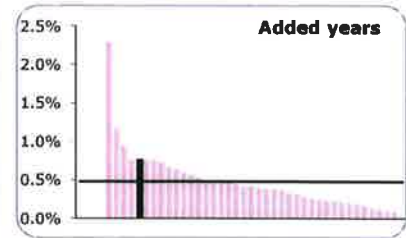
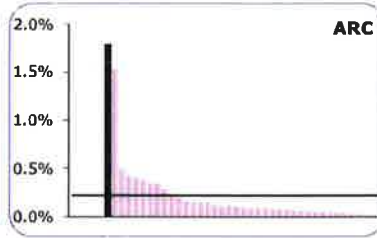


Actual calculations			
	No.	'000	Avg
<b>New starters</b>	<b>100</b>	<b>6</b>	<b>160</b>
- electronically	100	6	122
- manually	-	na	61
<b>Changes to details</b>	<b>100</b>	<b>6</b>	<b>166</b>
- electronically	100	6	48
- manually	-	0	119

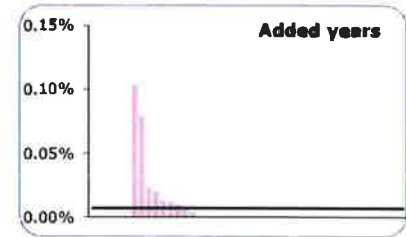
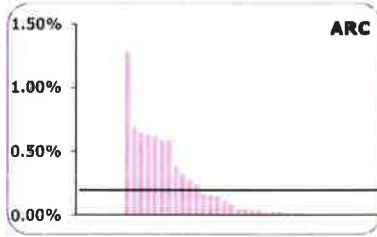
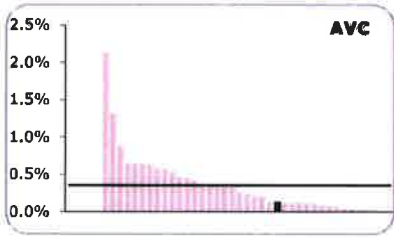
Retirements commuting lump sum		
Number	% total	Avg
484	70%	60%

## AVCs, ARCs and Added years

### % Currently contributing



### % New contributors this year

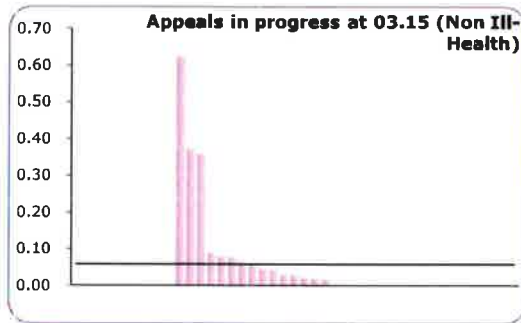
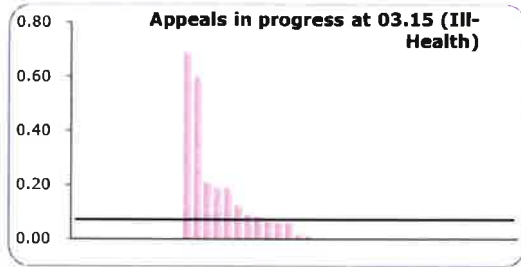


Contributors to AVCs and ARCS			
	No.	%	Avg
<b>Currently contributing</b>			
- AVC	241	1.50%	2.57%
- ARC	287	1.79%	0.22%
- Added years	123	0.77%	0.48%
<b>Total</b>	<b>651</b>	<b>4.06%</b>	<b>2.97%</b>
<b>New contributors this year</b>			
- AVC	22	0.14%	0.36%
- ARC	-	0.00%	0.20%
- Added years	-	0.00%	0.01%
<b>Total</b>	<b>22</b>	<b>0.14%</b>	<b>0.49%</b>

Active members
16,026



## APPEALS

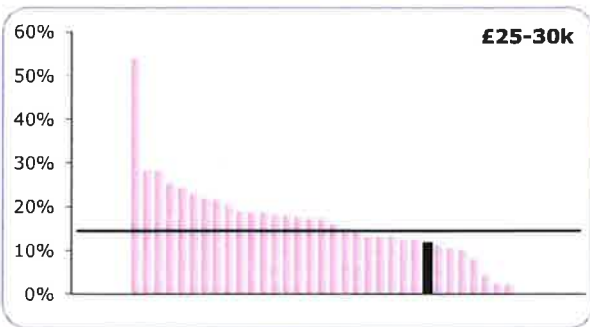
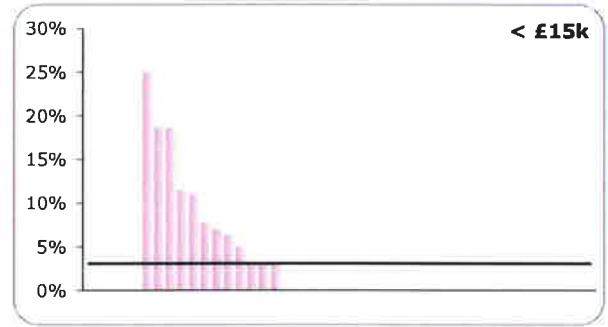
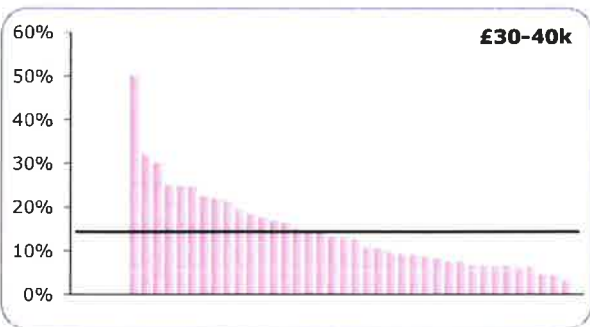
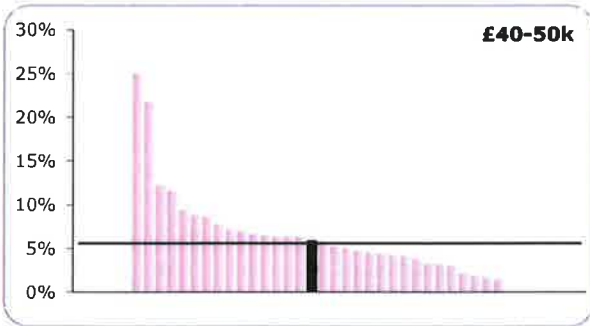
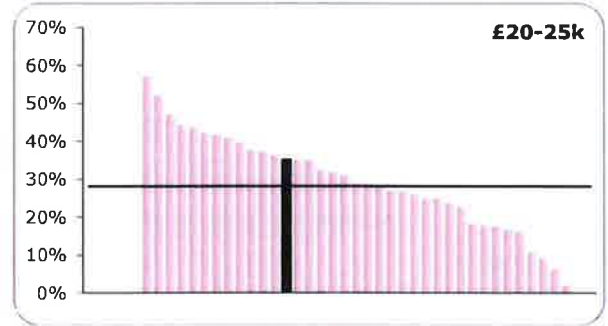
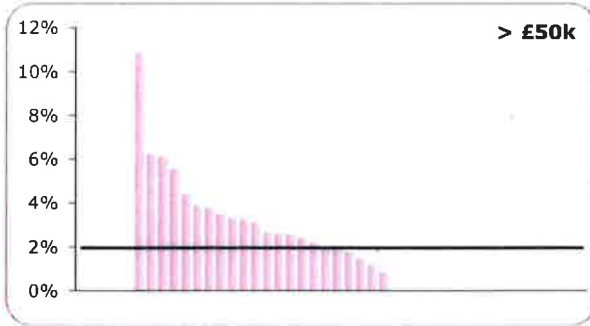


\*Club total: This shows the total for all the Benchmarking Club members 2015

Number of appeals	No.	Per '000 members	Avg	Club* total
<b>Ill-Health</b>				
In progress at start of year	1	0.06	0.04	22
In progress at end of year	0	0.00	0.07	30
<b>Non Ill-Health</b>				
In progress at start of year	3	0.19	0.03	29
In progress at end of year	0	0.00	0.06	37
<b>1st Stage</b>				
Appeals in Progress - 03.14	3	0.19	0.04	25
New Appeals in Year	0	0.00	0.12	104
Appeals Withdrawn	0	0.00	0.00	3
Appeals Upheld	1	0.06	0.04	26
Appeals Not Upheld	2	0.12	0.06	68
Appeals in Progress - 03.15	0	0.00	0.05	33
<b>2nd Stage</b>				
Appeals in Progress - 03.14	0	0.00	0.01	14
New Appeals in Year	0	0.00	0.00	30
Appeals Withdrawn	0	0.00	0.00	-
Appeals Upheld	0	0.00	0.01	8
Appeals Not Upheld	0	0.00	0.02	34
Appeals in Progress - 03.15	0	0.00	0.01	(1)
<b>Ombudsman Referrals</b>				
Appeals in Progress - 03.14	1	0.06	0.01	8
New Appeals in Year	0	0.00	0.01	10
Appeals Withdrawn	0	0.00	0.00	-
Appeals Upheld	0	0.00	0.00	1
Appeals Not Upheld	1	0.06	0.01	10
Appeals in Progress - 03.15	0	0.00	0.00	6

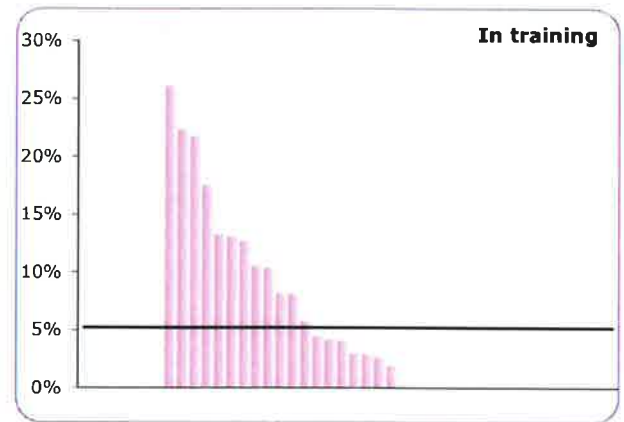
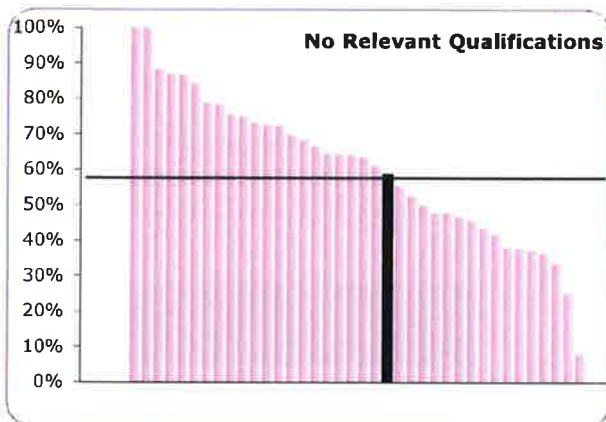
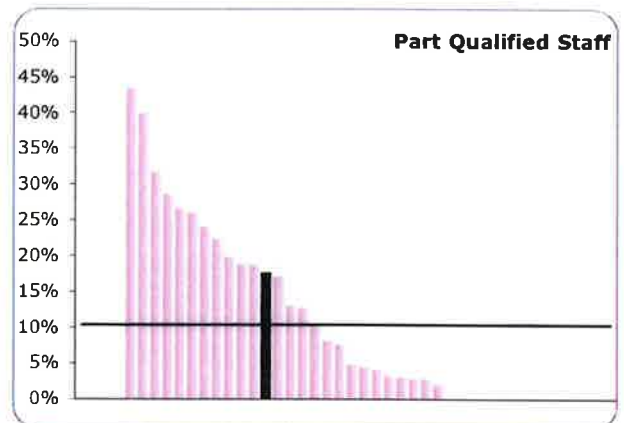
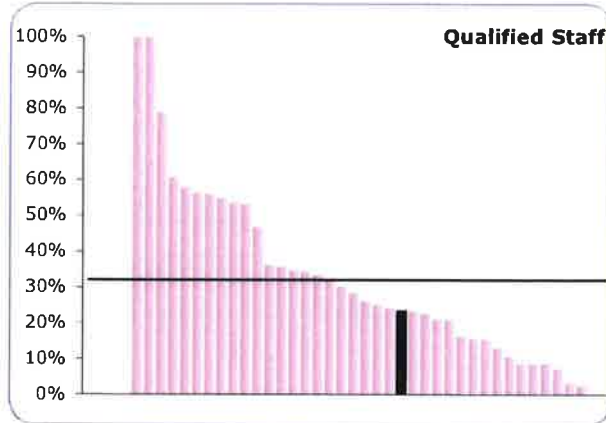
## SECTION 4 - STAFF RELATED MEASURES

### STAFF PAY



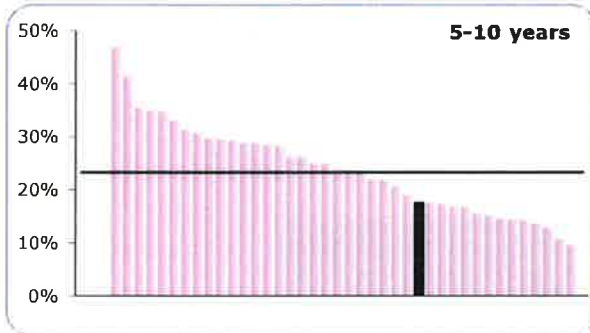
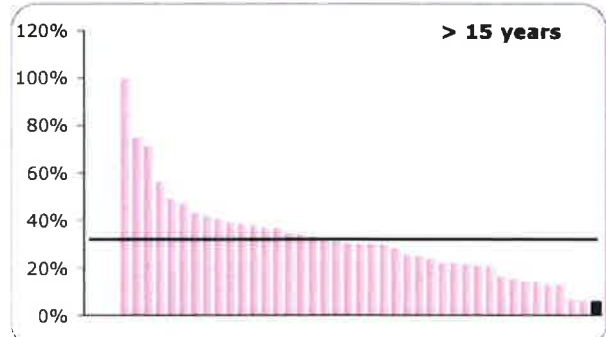
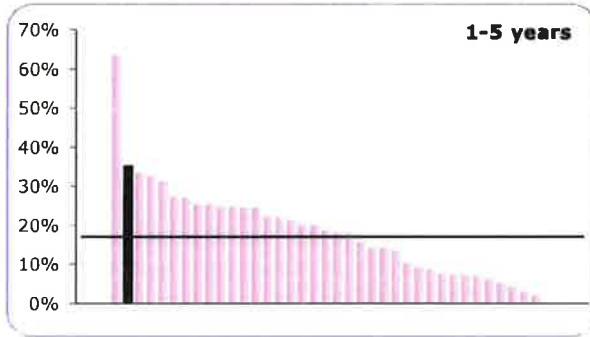
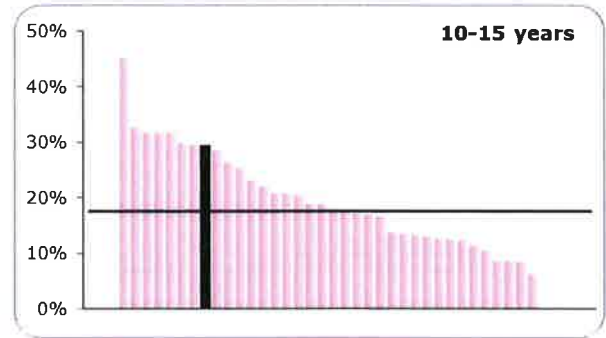
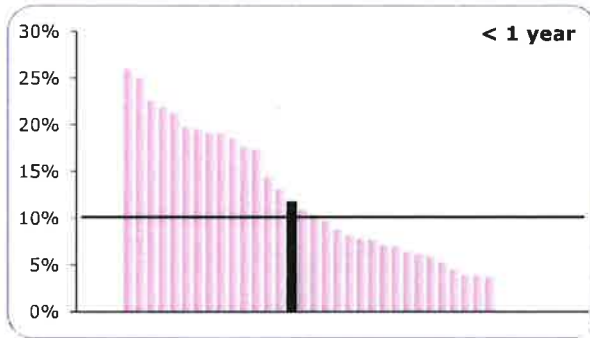
Staff pay			
	FTE	%	Avg
> £50k	0.0	0%	2%
£40-50k	1.0	6%	6%
£30-40k	0.0	0%	14%
£25-30k	2.0	12%	14%
£20-25k	6.0	35%	28%
£15-20k	8.0	47%	33%
< £15k	0.0	0%	3%
<b>Total</b>	<b>17.0</b>		

## STAFF QUALIFICATIONS



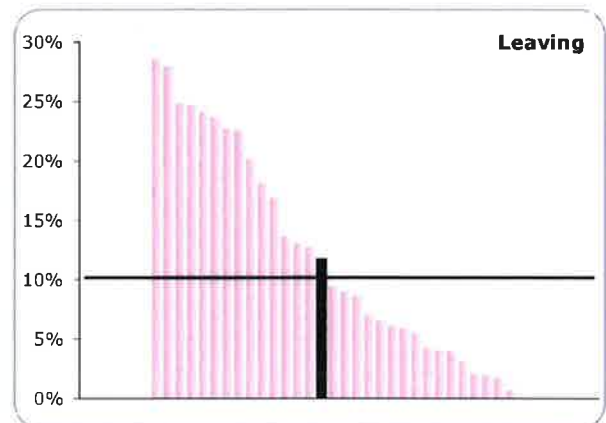
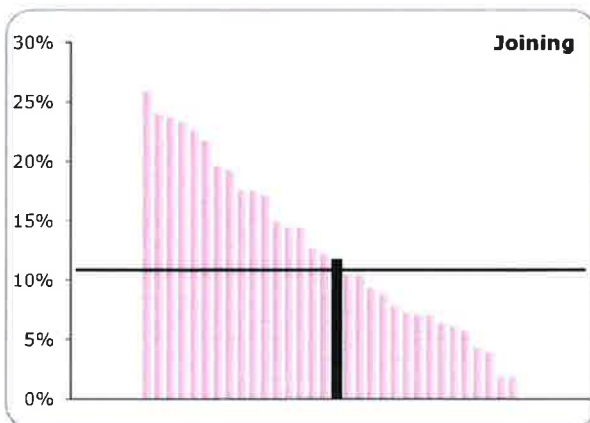
Staff qualifications			
	FTE	%	Avg
Qualified Staff	4.0	24%	32%
Part Qualified Staff	3.0	18%	10%
No Relevant Qualifications	10.0	59%	58%
<b>Total</b>	<b>17.0</b>		
Number in Training	0.0	0%	5%

## STAFF PENSIONS EXPERIENCE



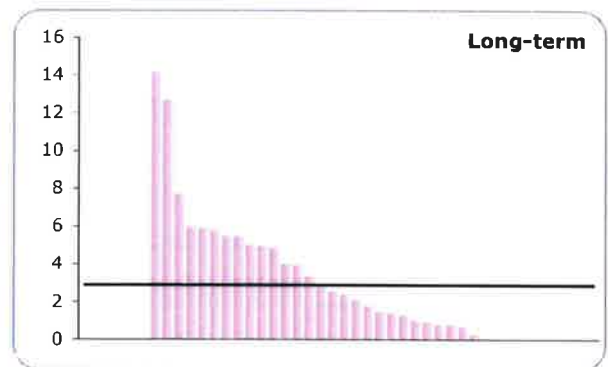
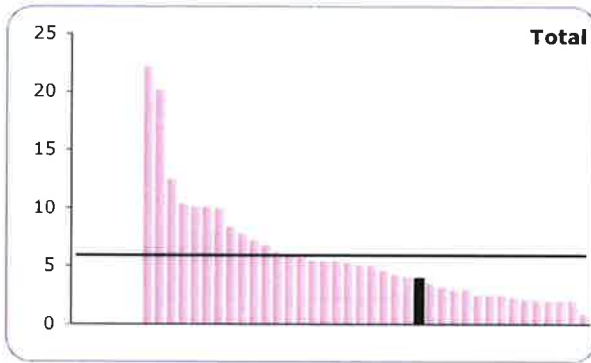
Staff experience			
	FTE	%	Avg
< 1 year	2.0	12%	10%
1-5 years	6.0	35%	17%
5-10 years	3.0	18%	23%
10-15 years	5.0	29%	18%
> 15 years	1.0	6%	32%
<b>Total</b>	<b>17.0</b>		

## STAFF TURNOVER



Staff Turnover	FTE	% change	Avg
Staff at 1/4/2013	17.1		
+ Staff joining Pension section	2.0	11.8%	10.8%
- Staff leaving Pension section	2.0	11.8%	10.2%
Staff at 31/3/2014	17.1	0.0%	0.9%

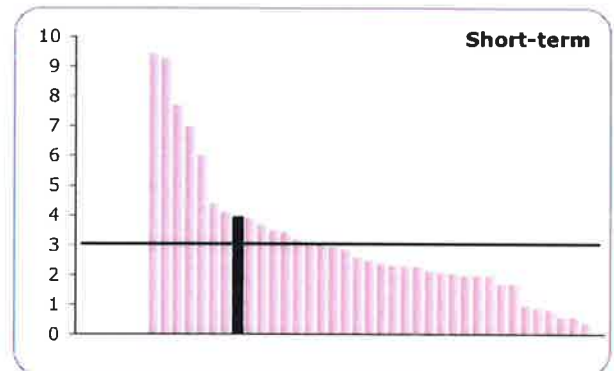
## SICKNESS ABSENCE



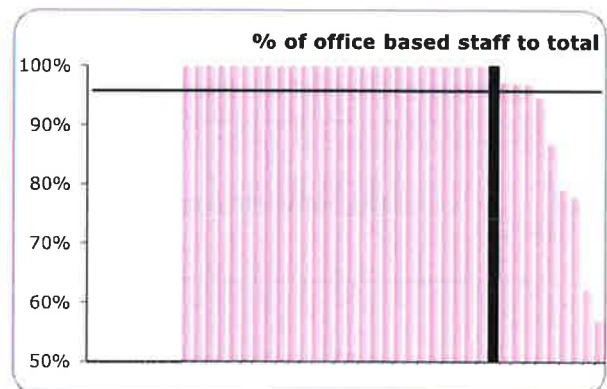
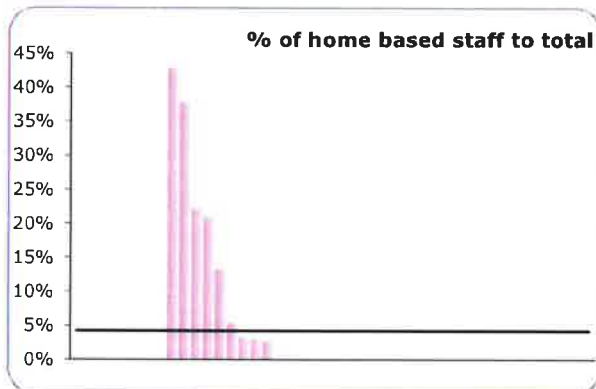
Sickness absence	Days/FTE	Avg
Long-term sickness	0.0	2.9
Short-term sickness	4.0	3.1
<b>Total</b>	<b>4.0</b>	<b>5.9</b>

Long-term sick (periods of sickness over 20 working days)

Short-term sick (periods of sickness of 20 days or less)



## STAFF LOCATION

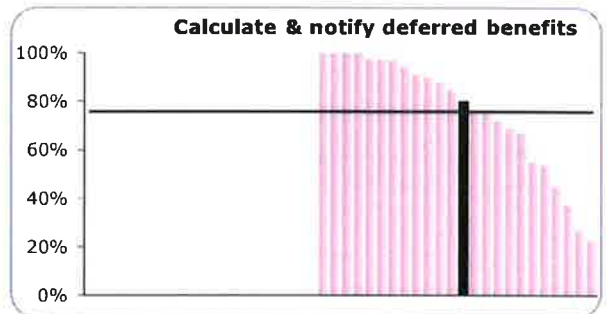
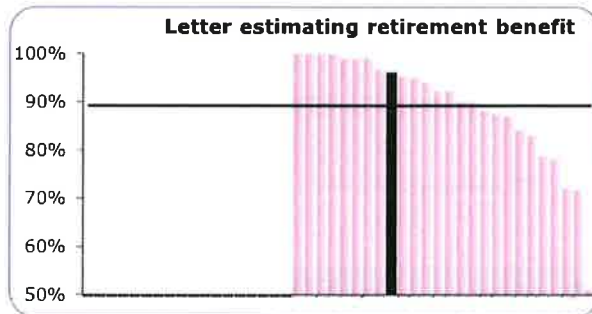
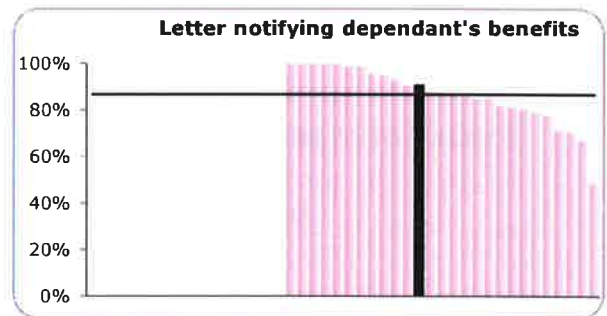
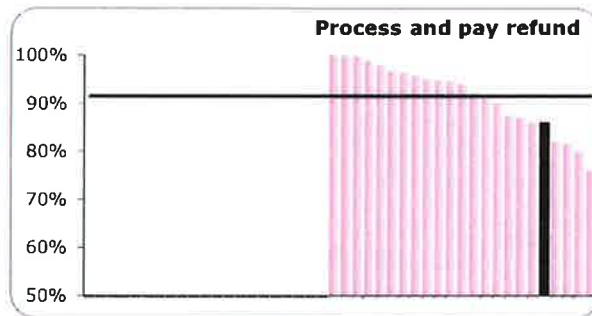
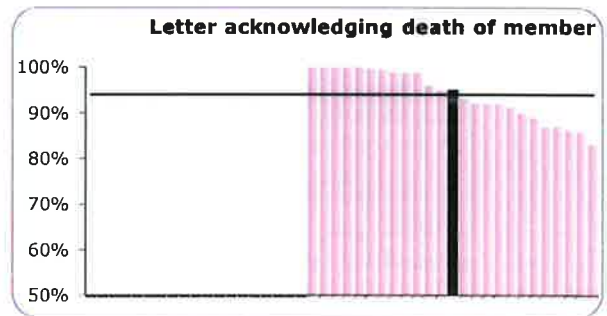
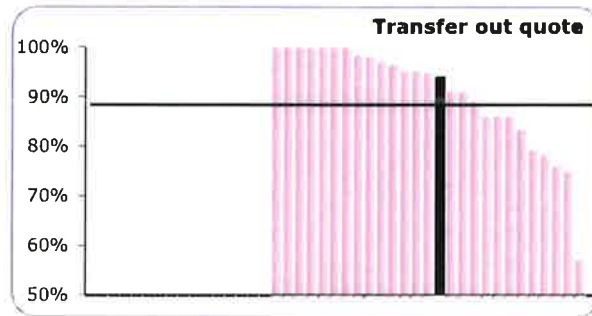
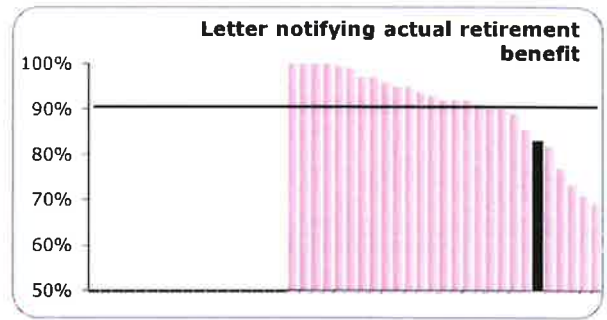


Staff location	FTE	% to total		
		Avg	FTE	Avg
Home based	0.0	0.9	0%	4%
Office based	17.1	32.5	100%	96%
<b>Total</b>	<b>17.1</b>			

Office Based: Staff members who spend >50% of their contracted time working in the office

Home Based: Staff members who spend 50% of their contracted time working from home.

## SECTION 5 - INDUSTRY STANDARD PI'S



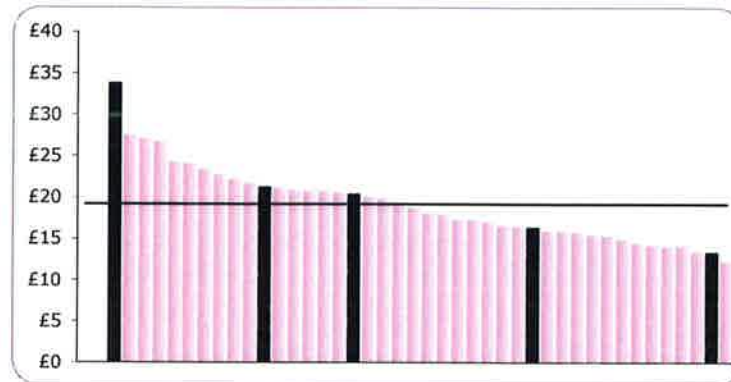
Industry Standard PI's	Target	Achieved	Avg
Letter detailing transfer in quote	10 days	80.0%	89.6%
Letter detailing transfer out quote	10 days	94.0%	88.3%
Process and pay refund	5 days	86.0%	91.5%
Letter notifying <b>estimate</b> of retirement benefit	10 days	96.0%	89.2%
Letter notifying <b>actual</b> retirement benefit	5 days	83.0%	90.5%
Process and pay lump sum retirement grant	5 days	95.0%	92.2%
Letter acknowledging death of member	5 days	95.0%	94.1%
Letter notifying amount of dependant's benefits	5 days	91.0%	86.7%
Calculate and notify deferred benefits	10 days	80.0%	75.8%

## SECTION 6 - COMPARISON BY METHOD OF SERVICE DELIVERY

### COMPARISON OF OUTSOURCED/IN-HOUSE MEMBERS

Total members with data:	45
Outsourced members:	5

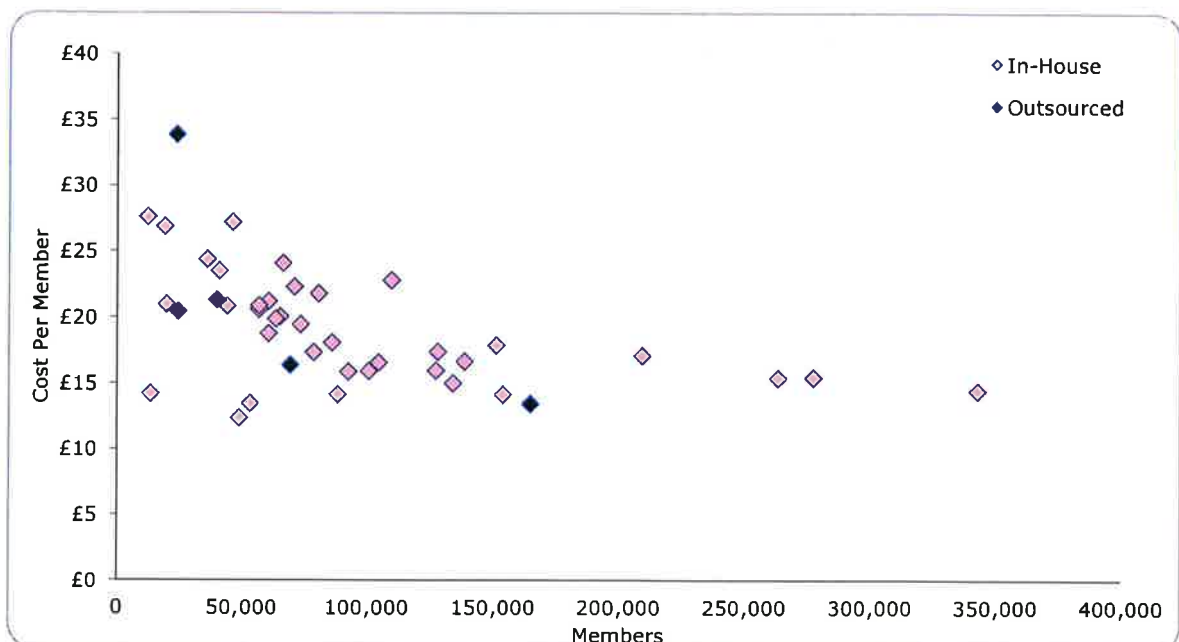
### LGPS ADMIN COST PER MEMBER (INCLUDING PAYROLL)



Black bars show outsourced members

	Cost	Members	Cost per Member
Warwickshire	£1,255	46,214	£27.16
Club average	£1,592	91,074	£19.17
Outsourced average	£1,098	64,384	£21.06
In-house average	£1,657	94,586	£18.91

### COST PER MEMBER COMPARED WITH NUMBER OF MEMBERS

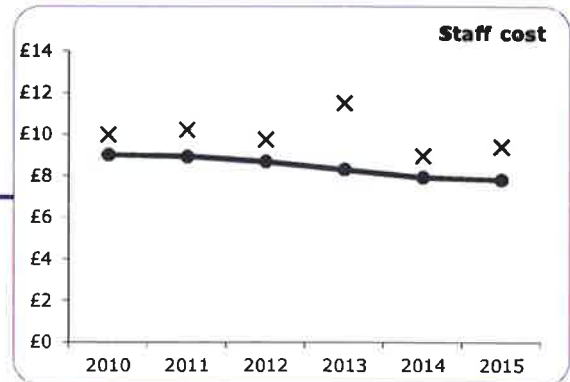
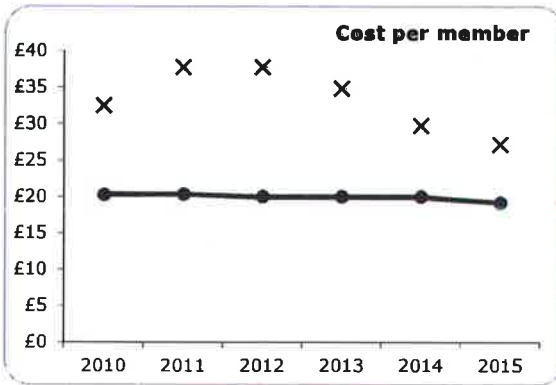




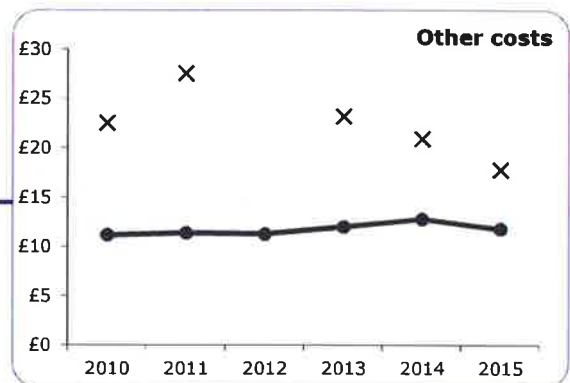
## SECTION 7 - TIMESERIES

The 2014 averages are the actual club averages.

For previous years, the averages shown here are scaled up or down from the 2014 figure based on the average rate of change in each year. This is calculated using data from members who supplied figures in consecutive years, otherwise the simple average in each year would be distorted by changes in the composition of the club from year to year.



**KEY:**  
 Club average  
 Warwickshire



Time series analysis						
	2010	2011	2012	2013	2014	2015
Members	37,588	39,115	39,945	41,636	43,945	46,214
Net cost (£'000)	1,221k	1,476k	1,507k	1,451k	1,306k	1,255k
Cost per member	£32.48	£37.73	£37.73	£34.85	£29.72	£27.16
Average	£20.26	£20.33	£19.96	£19.97	£19.98	£19.17
Staff cost	£9.98	£10.20	£9.74	£11.50	£8.94	£9.39
Average	£9.02	£8.94	£8.68	£8.30	£7.93	£7.83
Other costs	£22.51	£27.53	na	£23.18	£20.94	£17.81
Average	£11.14	£11.36	£11.25	£11.98	£12.76	£11.75





**CIPFA is the leading professional accountancy body for public services, whether provided by the public or private sectors. It provides education and training in accountancy and financial management, and sets and monitors professional standards.**

CIPFA also provides professional services to public sector organisations and managers. These include: statistical and technical information services, research services, consultancy, advisory networks and forums.

CIPFA holds more data on local government performance than any other organisation in the world and our Corporate Services Benchmarking Clubs are the market leader in local government benchmarking, with high levels of participation and customer satisfaction. Our detailed reports, databases, and interactive tools provide you with solid evidence to support decisions on budget and improvement.

#### **We also do...**

In addition to Pensions, other Benchmarking Clubs include Accountancy, Banking, Creditors, Debtors and Payroll.

We also provide other Pensions related services through CIPFAstats and TISonline.

To learn more about other benchmarking clubs in areas such as Adult Social Care, Children's Services and Customer Contact, or to see our Value for Money indicator stream, please see our website:

[www.cipfa.org/services/benchmarking](http://www.cipfa.org/services/benchmarking)

#### **Contact us**

To find out more about our other Corporate Services Benchmarking Clubs please visit our website:

[www.cipfa.org/corporateservices](http://www.cipfa.org/corporateservices)

For more information about how CIPFA Benchmarking can help your organisation or to sign up today contact:

E: [customerliaison@cipfa.org](mailto:customerliaison@cipfa.org) T: 020 7543 5600



**CIPFA** | The Chartered Institute of  
Public Finance & Accountancy

Registered office:

CIPFA Business Limited, 77 Mansell Street, London E1 8AN

T: 020 7543 5600 F: 020 7543 5700

[www.cipfa.org](http://www.cipfa.org)

CIPFA Business Limited, the trading arm of CIPFA that provides a range of services to public sector clients. Registered in England and Wales no. 2376684



# Item 3

## Minutes of the Pension Fund Investment Sub-Committee meeting held on 14 December 2015

### Present:

#### Members

Councillors John Appleton (Chair), Bill Gifford (Vice Chair), John Holland (replacing Councillor Alan Webb for this meeting)

#### Officers

Sally Baxter, Democratic Services Officer  
Mathew Dawson, Treasury and Pension Fund Manager  
Andrew Lovegrove, Head of Corporate Financial Services  
Paul Williams, Democratic Services Team Leader

#### Invitees

Peter Jones, Independent Investment Adviser  
Paul Potter, Hymans Robertson

#### From HarbourVest

Carolina Espinal  
Hannah Tobin

#### From Schroders

Lyndon Bolton  
Neil Turner

No members of the public attended.

### 1. General

#### (1) Apologies

Councillor John Horner, Councillor Brian Moss, Councillor Alan Webb, John Betts

#### (2) Members Disclosures of Pecuniary and Non-Pecuniary Interests

None.

#### (3) Minutes of the previous meeting

The minutes of the meeting held on 14 September 2015 were agreed as a true record to be signed by the Chair.

## 2. The Future of the LGPS

Andrew Lovegrove, Head of Corporate Financial Services introduced this item by summarising the key elements of the published report. The committee was reminded of the timetable set by Government for the submission of initial proposals (19 February 2016) and for agreement by Council of the final arrangements for pooling (July 2016). It was explained that a number of pooling options had been explored. Discussions have been held with the West Midlands Pension Fund and neighbouring authorities and the situation remains fluid. However on reflection the preferred option is to form a pool with Surrey, Cumbria and East Riding. In response to a question from Councillor Bill Gifford the committee was told that work on the West Midlands pool had been slow to build momentum. Officers of the County Council had attended planning meetings for the establishment of the West Midlands pool but had been disappointed by its slow rate of progress. The approach taken by the West Midlands Pension Fund and the Warwickshire Pension Fund vary in that the West Midlands Fund manages its own investments. Warwickshire commissions others to manage its fund. However until the position becomes clearer a decision has been made to continue with negotiations with the West Midlands group thus leaving options open.

Councillor Gifford observed that the report should have contained greater detail of why some of the options were considered to have less merit than others.

The committee was assured that the value of any pension fund in a Surrey/Cumbria/East Riding/Warwickshire pool would exceed the £30bn lower threshold as stipulated by Government.

Paul Potter (Hymans Robertson) explained that the pooling landscape remains very fluid with a number of pension funds considering a range of options and permutations before deciding on which approach to take. The position will become clearer in the next few weeks but it is useful at this stage to be able to express a preference for a preferred option.

Councillor John Holland emphasised that it will be important to ensure that whichever model is pursued the high quality of service delivered by Warwickshire pension staff should not be allowed to erode. Members were informed that the Government's proposals concern investment assets although there is a drive to realise cost savings where appropriate.

Concern was expressed over the Chancellor's stated desire to see greater investment by pension funds in public infrastructure projects. Members were told that historically such projects do not yield a high return. As a result they would not constitute a good investment.

Turning to the recommendation that was to be placed before the Staff and Pensions Committee (14 December 2015) the committee expressed the view that whilst support for a model based on Surrey, Cumbria and East Riding had its merits it would be important not to exclude other permutations from consideration. Paul Potter reminded members that if the Council was unable to arrive at a solution the Government may feel obliged to intervene and force a model on the County.

It was agreed that a further meeting of the Pension Fund Investment Sub Committee be held before submission of the Council's initial proposal on 19<sup>th</sup> February 2016. That meeting should be provided with a report setting out the governance arrangements for any pooling model.

## **Resolved**

That the Pension Fund Investment Sub-Committee:

- 1) Supports the consideration of a pooling of funds with Surrey, Cumbria and East Riding but requests that the Strategic Director of Resources continues to give consideration to alternative models of pooling involving combinations of other local authorities ahead of a final decision being made by Council.
- 2) Requests that an additional meeting of the committee be held before 19 February 2016 to consider further the preferred models and that any report considered at that meeting includes a section setting out the governance arrangements for any new pool.

### **3. Investment Performance**

Mathew Dawson (Treasury and Pension Fund Manager) summarised the published report highlighting a 2% decrease in the value of the Pension Fund by 2.2% over the previous quarter. It was noted that whilst property assets had performed well (+1.1%) equities had not (-1.4%). Regarding the cash balance as set out on table 1 it was explained that it is appropriate to hold a certain level of cash assets to meet any drawdown requirements. The cash is held by the custodian and is required to be held to meet any draw on benefits or other contingencies

Regarding the Fund Asset Allocation by Manager information in table 2 (page 3) the committee's attention was drawn to the lower than benchmark performance of Partners Group and SL Capital. Mathew Dawson stated that he will attend the Spring 2016 Partners Group meeting to be able to more fully understand the position there. He agreed to bring a report on this to a future meeting of the committee. Regarding SL Capital the committee was informed assets should be fully invested in the next 12 to 18 months.

Table 3 was highlighted as illustrating the distinction in the way property based investments had performed compared to equities. The relatively poor performance of L&G (Global Equities) was used as an example of this. In addition it was noted that MFS and Threadneedle had performed well in a weakened market.

Figures 3 and 4 on page 5 of the report indicate good performance by MFS and Treadneedle in a year when other fund managers have performed less well. Mathew Dawson suggested that this good performance justifies the fees paid by the pension fund to the fund managers.

Figure 5 on page 6 of the report illustrates the relative performance of MFS and Treadneedle. Between June 2012 and September 2015 there had been two quarters where both had fallen below the benchmark. Overall however performance had been generally good.

In conclusion Matthew Dawson informed the committee that overall investments are performing well. There has been an increase in liabilities attributable in part to the gilt yield

### **Resolved**

That the Pension Fund Investment Sub-Committee notes the fund value and investment performance for the second quarter in 2015-16 to 30 September 2015.

## **4. Pooling Update**

Mathew Dawson summarised the published report. He explained that having decided to pool the fund's passive assets with one single asset manager in conjunction with six other County Council pension funds a series of interviews were held in Staffordshire in early November 2015. It had been unanimously agreed to select Legal and General as investment consultant. There were two reasons that further influenced the decision from a WCC perspective. In the first instance L&G had recently been awarded the RAFI mandate and secondly the company is already the fund's re-balancing Manager.

It had been planned to undertake the pooling before the end of 2015. However Blackrock had requested a deferral for two weeks pending the rebalancing of the FTSE.

Fee levels will be lower than previously anticipated with around £6bn in the pool.

Members questioned the relationship between the pool of seven local authorities covered by this report and the pool of funds addressed in item 2. The committee was informed that the authorities discussed in this report are not aligned in the same way and would not therefore be suitable for consideration for fund pooling. The principal message resulting from the collaborative working of the local authorities is that a better deal can be obtained from fund managers when funds work together to operate on a larger scale.

Peter Jones (Independent Adviser) referring to paragraph 3.4 asked officers whether they were comfortable with Legal and General holding 40% of the fund. He suggested that this was a significant proportion to entrust to any one company. The committee was informed that as the funds are held in trust they should be secure but were Legal and General to fail this would present some challenges. In conclusion members expressed some reservation over the amount managed by Legal and General but were satisfied by assurances given.

### **Resolved**

That the Pension Fund Investment Sub-committee approve the proposal.

**5. Independent Adviser - Outcome**

Mathew Dawson stated that the selection exercise for the appointment of a second adviser had been a success. The preferred new adviser is Karen Shackleton. The committee was briefed on Ms Shackleton’s credentials. The selection panel had been impressed by her in-depth knowledge of the workings of the Local Government Pension Scheme and of the position with the Warwickshire Fund. Councillor Gifford particularly noted that she was the only candidate who expressly stated that she wished to work with the fund and the committee. The decision of the selection panel had been unanimous.

**Resolved**

That the Pension Fund Investment Sub-Committee approve the appointment of Karen Shackleton on a three-year contract.

**6. Any other items**

None.

There followed presentations from representatives of Harbourvest and Schroders. Reports were circulated outlining the performance of the two companies. Members of the committee sought clarification on a number of points.

The sub-committee rose at 12.05pm

.....  
Chair