

Local Pension Board of Warwickshire Pension Fund

Agenda

14 July 2016

The Warwickshire Local Pension Board will meet in **Committee Room 2, Shire Hall, Warwick** on **14 July 2016 at 10.30am**.

- 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 11 January 2016**
- 2. Review of the Minutes of the Pension Fund Investment Sub-Committee for 14 March 2016 and 13 June 2016**
- 3. Update on Pooling of LGPS Funds (Led by PWC)**
- 4. Update of progress with Triennial Valuation (following presentation made by Hyman's Robertson at Board Training Session held on 13 June 2016)**
- 5. Transparency of investment costs and fees**
- 6. Administration update**
- 7. Pension Board procedures - e.g. appointment of new members, expense claims, email addresses, local pension board webpage, establishing a proper budget, and access to policy documents.**
- 8. Draft Warwickshire Pension Board Annual Report**

9. **Indemnity Insurance for Board Members**

10. **Any other Business**

JIM GRAHAM
Chief Executive
Shire Hall
Warwick
July 2016

Membership of the Local Pension Board

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

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Minutes of the Local Pension Board of Warwickshire Pension Fundmeeting held on 11 January 2016

Present:

Members

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

Officers

Helen Barnsley, Democratic Services Officer
John Betts, Head of Finance
Neil Buxton, Pensions Manager
Andrew Lovegrove, Head of Corporate Financial Services
Sian Stroud, Senior Solicitor and Team Leader
Paul Williams, Democratic Services Team Leader.

1. Introductions and General business

(1) Apologies

None

(2) Board Members' Disclosures of Interests

None.

(3) Minutes of the meeting held on 28 July 2015

The minutes so the meeting of the Board held on 28 July 2015 were agreed as an accurate record for signing by the Chair. There were no matters arising.

2. Annual Report and Financial Statements 2015

Neil Buxton (Pensions Manager) introduced this report. Copies of the Warwickshire Pension Board Annual Report and Annual Statements 2014-2015 were distributed to Board members. No questions on the Annual Report were forthcoming.

In response to a question from Councillor Alan Cockburn, Andrew Lovegrove (Head of Corporate Financial Services) updated the Board on Warwickshire's position regarding the pooling of pension funds. He explained that Central government was consulting on an initiative to create six "wealth funds" across England and Wales. It is understood that there are proposals in circulation for eight pools and Warwickshire is currently considering three of these namely i) a pool comprising Warwickshire, Surrey, East Riding and Cumbria ii) a pool of funds within the West Midlands iii) a geographically larger pool comprising a number of funds

located across the middle of England. All three pools would aim to satisfy the Government's minimum requirement of £30bn of assets. The pools will have different characteristics with some funds currently being largely internally managed while others, like Warwickshire employ external managers. The pools will offer a range of investments covering different investment sectors. Keith Bray, the Chair, explained that the 89 funds in England and Wales would retain their identity and still be able to choose which sectors they wished to invest in. Thus the pooling of funds would not remove their ability to choose where they will invest. The funds that make up each pool will work in collaboration to choose fund managers.

The Board was informed that it is this joint procurement of fund management where it is expected significant savings will be made but the Chair reminded the meeting that fund performance is about more than the cost of fees. The principal aim is for funds to produce good returns while controlling risks.

Funds that have good funding levels will not be expected to support any that are in deficit. The Central Government has stated that it will be taking reserve powers to ensure that all funds participate in the proposed pooling arrangements. The indications are that where funds express the view that they do not wish to be party to pooling they will be forced to do so. Any proposals for pools that are deemed to be unviable will be rejected by Government.

The role of the Local Pension Board regarding the pooling process was discussed. It was emphasised that this was in ensuring that the correct process had been followed in deciding which pool to join. It is not the responsibility of the Board to advise on which pool should be joined or on the criteria on which that decision should be made.

In response to a question from Councillor Matt Western regarding the transparency of the process to date it was noted that the short timescale presented by the Government had reduced the opportunities for this.

The Board agreed that before any decision is made by the Warwickshire Fund on its pooling preference, it (the Board) should meet again to assure itself that the process followed has been correct and transparent. To this end it was agreed that the Board should meet again before the final Council decision in July.

The position regarding pooling governance arrangements was clarified. Before agreeing to join a pool the Warwickshire Fund will need to have followed appropriate processes and be satisfied it will work in its interest. Alan Kidner asked if consideration was being given to Local Pension Boards' members having direct involvement of the governance of the pool. He was advised that for each pool to have representation from Local Pension Boards may make the governance structure unwieldy. The Board will have an oversight how Warwickshire Pension Fund engages with the running of the pools.

The use of external fund managers to advise pools on investments was discussed. Some of the pools will require the services of outside consultants. Larger ones (such as West Midlands and East Riding) already have in-house expertise and may draw on these resources as well as possibly appointing investment managers for certain types of investment

Funds will set their own benchmarks and investment strategies and decide which sectors of the pool they wish to invest in. The Warwickshire Fund will be able to challenge the performance of the pool it is in. This will be the responsibility of the Pension Fund Investment Sub-committee.

Returning to section 2 of the published report Neil Buxton informed the meeting that it is expected that reviews of the performance of the Pension Fund will, in future, be undertaken more frequently than at present.

The responsibility of all partners to report any breaches to the Pensions Regulator was emphasised.

Innovations regarding communication were discussed. The website is to be re-branded to distinguish it as being that of the Warwickshire Pension Fund. In addition work is underway to improve communication with scheme employers. E-learning methods are being developed for the use of employers. These will inform them of their role as administrators. Employers are required to submit a monthly return. This is unusual though not unique. In response to a question from Alan Kidner the meeting was informed that payments can be on the 19th or the 23rd of the month depending on how they are made (cheque or BACS).

The distinction between “Scheduled Bodies”, “Designation Bodies” and “Contractors” was explained. The first are large bodies such as the County Council and district Councils. These have a right to join the fund. The second includes smaller employers eg Parish Councils. These cannot be prevented from joining but a resolution is required from that body before they can do so. Contractors are employers that have taken on County Council functions and staff. They become members to protect the pension rights of any employees who have been transferred over.

Citizens’ Advice Bureaux are “Community Admission Bodies”.

The Annual Benefits Statement is required to be produced by 31 August. Warwickshire produces its statements in partnership with other authorities to hold costs down. In 2015 96% of active members in Warwickshire received their statements on time.

There are currently 2000 “preserved benefits” members marked as “gone away”. These are people who have paid into the fund but who have fallen out of contact with its administrators. It is expected that additional efforts will be made to track these people down.

Regarding section 7 – “benchmarking”, Board members commented on the high level of detail in the appended report. It was noted that whilst the cost per member of administering the Warwickshire Fund has decreased it remains high compared to others. In response the board was informed that staff costs can be high but a recent job evaluation exercise indicated that salaries were commensurate to the work being carried out. Particular reference was made to the payroll cost per pensioner (Page 8 of the CIPFA report). This was the highest recorded. In reply the Board was told that this is a legacy of old systems.

Members of the Board welcomed the CIPFA report, although it was suggested it could be clearer. It was suggested that the report should be delivered every year and that it should be accompanied by commentary that would enable easier understanding of the results.

Turning to section 9 “Valuation 2016” the Board was reminded of the very tight timescale available to submit the relevant data to the actuary. Regarding the assumptions forming the basis of the valuation it was noted that these derive from the actuary. It was noted that these need to be consistent across valuations and that advice was being sought on this from the national Scheme Advisory Board.

3. Review of Minutes of Pension Fund Investment Sub-committee Meeting 14 December 2015

Councillor Matt Western expressed his disappointment at the number of apologies given by members of the committee. Further information was requested on the challenges that a failure of Legal and General would present to the fund.

4. Next Steps

It was agreed that meetings of the Board should be arranged for April, July and December 2016.

5. Any other business

None

The board rose at 3.25 pm

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Chair

**Minutes of the Pension Fund Investment
Sub-Committee meeting held on 14 March 2016**

Present:

Members

Councillors John Appleton (Chair), Bill Gifford (Vice Chair), John Horner, Brian Moss and Alan Webb

Officers

John Betts – Head of Finance
Mathew Dawson - Treasury and Pension Fund Manager
Aneeta Dhoot – Senior Finance Officer
Andrew Lovegrove- Head of Corporate Financial Services
Ben Patel-Sadler - Democratic Services Officer

Invitees

Jeff Houston - LGA
Peter Jones – Independent Investment Adviser
Paul Potter – Hymans Robertson
Karen Shackleton – Independent Investment Adviser

Observers

Councillor Matt Western

No members of the public attended

1. General

(1) Apologies for absence

Paul Williams – Democratic Services Team Leader

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

None.

(3) Minutes of the previous meetings held on 14 December 2015 and 29 January 2016

The minutes of the meetings held on 14 December 2015 and 29 January 2016 were agreed as true and correct records to be signed by the Chair.

2. Investment Performance

Mathew Dawson - Treasury and Pension Fund Manager introduced the report, informing the Committee that the fund value had shown an increase of 3.9% on the previous quarter.

Members noted that the Infrastructure Asset Class was now fully subscribed. Although the Property Asset Class appeared to be slightly overweight, members noted that this was the result of the value of property having increased in recent times. Mathew Dawson informed the Committee that money would be drawn down into the Private Equity Asset Class.

Members noted that the BlackRock Manager Allocation transition to Legal and General had been successful – a report on the transition would be considered at the June 2016 Committee meeting.

Members noted that for the quarter ending 31 December 2015, Threadneedle had performed well.

Members expressed a view that they would like to meet with Schroder to be updated on their progress at the June 2016 meeting and to inform the Committee how they were responding to the recent tailing off of the property market.

Detailing Fund Manager Performance for the year ending 31 December 2015, Mathew Dawson informed the Committee that the performance of MFS, although progress had slowed, was satisfactory.

Members commented on the Blackstone Hedge Fund, particularly around how it had significantly exceeded its benchmark target. Mathew Dawson informed the Committee that because the amount of cash the Hedge Fund held was artificially low, the graphic representation outlining their performance was somewhat higher than expected.

Members noted that all six Fund Managers had never underperformed in relation to their benchmark targets for a period of three years.

The Pension Fund Investment Sub Committee agreed to note the report and;

1.) Requested that a report detailing the BlackRock transition to Legal and General be tabled at the June 2016 meeting of the Committee and;

2.) Requested that representatives from Schroder be invited to attend the next meeting in June 2016.

3. Statement of Investment Principles

Paul Potter (Hymans Robertson) introduced the report and informed the Committee that it had been updated due to a movement of assets between Fund Managers. Members noted that each time a movement of assets occurred, legislation dictated that the Statement of Investment Principles had to be reproduced in full to show what movement(s) had taken place. Members noted that each Fund Manager would need to produce their own statement of investment principles – a template for all Managers would be produced and would be brought to the September 2016 meeting.

Members expressed a view that it was important for all Fund Managers to remain committed to considering any environmental, social and corporate governance (ESG) issues as part of their investment analysis and decision making process. Paul Potter informed the Committee that the Council relied on its external Fund

Managers to influence company behaviour and adhere to these investment principles. The Council was kept informed of any investment decisions taken by the Fund Managers – specifically detailing how the investment(s) would add shareholder value.

The Pension Fund Investment Sub-Committee agreed to approve the Statement of Investment Principles and to receive a copy of the template which would be used by all Fund Managers at the September 2016 meeting.

4. Presentations from ACCESS and Border to Coast Pools

The first presentation to the Committee was conducted by representatives of Border to Coast Pools – members noted that the presentation would provide them with an update on any new developments and further information around the partnership. Members noted that the fund currently held around £36 billion of assets and operated on a one fund, one vote principle. The allocation and investment of funds were always a fund decision

The Committee noted that overall savings across each organisation participating in the pool were estimated to eventually be between £28-£30million per annum. Members noted that these efficiency savings were achieved through the fund selecting equity managers at the pool level – achieving better rates and cheaper fees from investment managers meant that some savings had already been made. Competition between fund managers had resulted in fees being lowered as organisations sought to win business.

Karen Shackleton – Independent Investment Adviser informed the Committee that by managing investments using in-house resources, costs could be mitigated significantly. Representatives from Border to Coast Pools agreed that managing the majority of the fund using in-house resources would result in efficiency savings being made.

At the present time, the Border to Coast Pools organisation was considering the legal structure which it would adopt to govern itself. Decisions were also due to be taken around the number of managers required to administer the fund and how the costs of managing the fund would be shared between partners. A further document would be submitted by the Border to Coast Pool in July 2016 which would detail how costs would be shared between participants of the pool. One decision had been taken which was that the initial start-up costs of the pool (around £2million) would be shared equally amongst those authorities participating in the pool. Members noted that any ongoing costs were likely to be shared according to the proportion of assets from each authority in the pool. Members were provided with assurance from Border to Coast Pools that in the July 2016 submission, authorities participating in the pool would be aware of the agreed cost sharing principle and would have signed up to it at this point.

If the fund was to be managed internally, then it would have to adhere to FCA regulations. In relation to the proposed governance of the fund, members noted that executive officers and an independent Chair would be appointed to impartially hold the performance of the fund to account. Members noted that the fund would house hedge funds, liquid assets and property and private equity investments.

Members expressed a view that tax exemption was applied to the existing Warwickshire fund in relation to capital gains tax – the ability to buy and sell property freely would be important. Representatives from Border to Coast Pools

informed the Committee that one fund would be allocated to manage property assets.

The Committee expressed a view that it would be imperative for representatives of each organisation participating in the pool to be able to have sufficient representation at board level. Members were assured by Border to Coast Pools that this would be the case.

Members noted that it would be important to ensure that all participants entering the pool (namely those whose pension would be affected by entering it) were fully informed of the process and what it would mean for them and their pension.

Members were informed that meetings were taking place with employers to inform them fully on the implications of entering the pool.

Members then received a further presentation from ACCESS given by Paul Tyso (Investment Fund Manager).

Members noted that ACCESS was a collaboration of shire authorities from the centre, east and south of England.

Paul Tyso informed the Committee that the average investment performance of ACCESS to March 2015 had resulted in the pool slightly outperforming the WM weighted average.

Members noted that the ACCESS project was a long-term plan, Paul Tyso informed the Committee that the deadline for overall completion of the pool was due to occur in 2018.

Each authority participating in the ACCESS collaboration would be required to submit a document to their respective full council meeting to be signed off before the end of June 2016 – this document would outline the proposed governance arrangements for the pool.

Jeff Houston (LGA) provided members with a further update in relation to the current national picture in relation to the pooling of authority pensions.

The Committee noted that seven submissions had been sent to the government from groups in England, with one submission having being tabled from Wales. The government had indicated that six of the pooling proposals from England had received feedback informing them that their proposals were on track. Members noted that guidance was now required from the government to ensure that all pooling proposals were adhering correctly to the appropriate rules and regulations. Members noted that officers would work with colleagues to ensure that the appropriate pooling documentation for Warwickshire was considered by Cabinet/Full Council in a timely fashion.

6. Reports Containing Confidential or Exempt Information

To consider passing the following resolution:

‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972’

7. Exempt Minutes – Meeting held on 29 January 2016

The meeting rose at 12.50 pm

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Chair

**Minutes of the Pension Fund Investment
Sub-Committee meeting held on 13 June 2016**

Present:

Members

Councillors John Appleton, Bill Gifford (Vice Chair), Bob Stevens (Chair), Jenny St. John (substituting for Councillor Brian Moss) and Alan Webb

Officers

John Betts – Head of Finance

Mathew Dawson - Treasury and Pension Fund Manager

Andrew Lovegrove- Head of Corporate Financial Services

Ben Patel-Sadler - Democratic Services Officer

Invitees

Lyndon Bolton - Schroders

Naomi Green – Schroders

Dominic Helmsley - SL Capital Partners

Paul Potter – Hymans Robertson

Karen Shackleton – Independent Investment Adviser

Neil Turner - Schroders

Richard Warden – Hymans Robertson

Observers

None

No members of the public attended.

1. General

(1) Apologies for absence

Peter Jones – Independent Investment Adviser

Councillor Brian Moss

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

None.

(3) Minutes of the previous meetings held on 14 March 2016 and 17 May 2016

On page two at paragraph two of the minutes of the meeting held on 14 March 2016, members noted that 'Infrastructure Asset Class' should have read 'Standard Life Asset Class'.

In relation to the meeting held on 14 March 2016, members asked it to be noted that Border to Coast Pools were their preferred pension pooling option.

The minutes of the meetings held on 14 March 2016 and 17 May 2016 were agreed as true and correct records to be signed by the Chair.

2. Investment Performance

Mathew Dawson - Treasury and Pension Fund Manager introduced the report and informed the Committee that the fund value had increased by 2.4% on the previous quarter.

Members noted that the UK Equity asset class was slightly overweight at the present time – this was due partly because the asset class had performed so well during the financial year. Members noted that on occasion it was beneficial to feed back the profit generated from property investments back into the fund, rather than investing it immediately in further property acquisitions.

Members noted that the fund asset allocation by manager information needed to be updated to reflect the recent transition which had taken place – this would be done in the near future.

Mathew Dawson informed the Committee that MFS and Threadneedle had performed extremely well in relation to their benchmarks for the quarter ending 31 March 2016 – members noted that Blackstone Hedge had posted disappointing results in the quarter ending 31 March 2016. The Committee noted that MFS and Threadneedle had both recorded positive figures in relation to performance against their benchmarks since December 2012.

Members were informed by Mathew Dawson that the overall volatility of the markets had contributed to hedge fund performance being disappointing during the financial year. Karen Shackleton – Independent Investment Adviser informed the Committee that performance of fund managers in relation to stock market investments needed to be scrutinised over a longer period of time – ideally over an entire market cycle which would include a period of negative equity.

In relation to infrastructure investments, members noted that discussions had taken place to determine which type of investments might be made. Paul Potter – Hymans Robertson informed members that the infrastructure asset class covered a broad range of potential investment opportunities.

Resolved

The Sub-Committee noted the fund value and investment performance for the final quarter in 2015-16 to 31 March 2016.

3. Outcome of Transition – Passive Management

Mathew Dawson - Treasury and Pension Fund Manager introduced the report which sought to update the Committee on the transfer of passive funds to one fund manager which had resulted in a lower management fee, bringing immediate savings to the fund – members noted that this process had resulted in fund management fees being halved. Mathew Dawson informed members that the multi asset mandate held by Blackrock totalling £265.5 million had been transferred to Legal and General. Assets totalling £21.8 million formally held by State Street in UK passive equities had now been absorbed by Legal and General. Members noted that the total costs involved in the transfer of these assets amounted to £32k –

Legal and General had borne these costs as a condition of appointment as the fund manager.

Members were informed that the transfer of funds to one manager was a stand-alone transaction and these funds were separate from Midlands Pension Pool even though there had been an aggregated tender. Members noted that there remained flexibility in terms of how the funds were invested. Mathew Dawson explained to the Committee that if the Border to Coast Pool decided to use Legal and General as a passive fund manager, there could potentially be further reductions on management fees in the future. Andrew Lovegrove- Head of Corporate Financial Services informed the Committee that the management fees had been reduced because of the sheer size of the assets being transferred to Legal and General. Karen Shackleton – Independent Investment Adviser informed the Committee that fund managers were now recognising the impact of pension pooling and as such were keen to forge new business links with public sector clients.

The Committee expressed a view that this process had demonstrated the capabilities of the Council's officers and the Pension Fund Investment Sub-Committee in securing the best possible deal for the Warwickshire County Council Pension Fund.

Resolved

The Sub-Committee agreed to note the report.

4. Business Plan 2016-17

Mathew Dawson - Treasury and Pension Fund Manager introduced the report which outlined the proposed work which the Committee would undertake during the municipal year 2016/17.

The Committee noted that training would be undertaken by members periodically according to the nature of business being transacted at future meetings. Whilst working through the Business Plan, the following observations were made by the Committee:

- The annual benefit statements had been circulated on time – only around half a dozen other funds had been able to meet this deadline.
- Members noted that 2016 was an evaluation year. There was a great deal of work to be undertaken to ensure that a new funding strategy could be implemented after the valuation work had taken place.
- The Pension Fund Annual Report would be delivered in September 2016.
- In relation to the Investment area of business, the Committee noted that officers were working with Border to Coast to ensure that the submission was completed ahead of the 15th July 2016 deadline. The new pension pooling arrangements would then commence in April 2018.

Members expressed a view that it was essential for all members to be briefed around the changes which were being made to pension arrangements. If appropriate training was delivered to members, the Committee believed that it might generate a wider interest and a larger pool of members who would be interested in undertaking roles associated with the Pension Fund Investment Sub-Committee.

Resolved

The Sub-Committee agreed to:

- 1.) Approve the items attributed to the Pension Fund Investment Sub-Committee as outlined in the Business Plan 2016/17 and;
- 2.) Task officers with exploring the possibility of arranging a member training session in light of the magnitude of changes being made to the operation of the pension fund.

5. Presentations from SL Capital Partners and Schroders

The Committee considered a verbal presentation given by representatives of Schroders where the following points were noted:

- There had been staff changes in the Schroders team - Naomi Green – Schroders had recently been appointed as a Fund Manager.
- The Committee was assured that Schroders were performing well at the present time.
- Members noted that UK investments made by Schroders were performing well.
- In relation to rental value growth, GDP was stable and growing. The Committee noted that the rental market would continue to grow over the next five years.
- Members noted that the rental market in Europe was currently around two to three years behind the UK market.
- Going forwards, the Committee noted that the performance of investments could fluctuate.
- Members noted that the Industrial Property Investment Fund represented 8.9% of the overall portfolio value. Rent growth was likely to continue – this was due in part to the large number of

clients wishing to rent industrial space to accommodate e-commerce businesses.

Representatives from Schrodgers informed the Committee that if there were to be any major decisions to make in terms of the diversity of investments – the Committee would likely be consulted before any decisions were taken.

The Committee considered a verbal presentation given by Dominic Helmsley, Managing Director, Infrastructure, SL Capital Partners where the following points were noted:

- Investments made on behalf of the fund made by SL Capital Partners were classified as being at the conservative end of the spectrum.
- Two thirds of investments were made in the UK, with the remaining third mostly in North West Europe.
- Members noted that the returns provided by the investments were currently on target. Most investments were likely to yield returns of between 4% and 5%.
- The life cycle of investments made with SL Capital Partners was 12 years.
- The investments were mostly made in regulated infrastructure projects.

6. Any other items

There were no other items.

7. Reports Containing Confidential or Exempt Information

To consider passing the following resolution:

‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972’

The meeting rose at 13.15pm

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Chair

Warwickshire Local Pension Board

The Public Services Pensions Act 2013 required the Administering Authority for each Local Authority Pension Scheme (LGPS) fund in England and Wales to establish a Local Pension Board no later than 1 April 2015. Subsequent Regulations issued by the Department for Communities and Local Government (DCLG) required that the boards should be operational before 1 August 2016.

The role of local pension boards is to assist the Administering Authority to secure compliance with LGPS Scheme Regulations and other legislation relating to the governance and administration of the fund, together with any requirements imposed by the Pensions Regulator. In short, the Board's role is to ensure the effective and efficient governance and administration of the Worcestershire Fund

The Regulations also require the membership of the Board to be made up of equal numbers of employer and employee representatives with a minimum of four members i.e. at least two employer representatives and two employee representatives. The employee representatives on the Board must be independent of the Fund - that is to say they must have no involvement with the day to day management of the Fund.

The Board may be chaired by one of these Board members or an independent, non-voting Chairperson may be appointed.

The Warwickshire Board was established as required by the 2013 Act and met for the first time on 28 July 2015. The membership of the Board is as follows:-

Employer representatives

Mr A Cockburn (Warwickshire County Council)

Ms Heather Costello (Warwickshire Police and West Mercia Police)

Mr Matt Western (Warwickshire County Council) until 22 March 2016

Mr Peter Morson (Warwickshire County Council) from 22 March 2016

Employee Representatives

Mr Andy Crump (Unison)

Mr Keith Francis (The Citizens Advice Bureau Service)

Mr Alan Kidner (Unison)

Independent Chairman (Non- voting)

Mr Keith Bray (formerly Director of Financial Services at the City and County of Cardiff)

The Board met on two occasions.

28 July 2015 - Mr Matt Western tendered his apologies for his absence.

11 January 2016 – Full attendance.

The Board will meet for the third time on 14 July 2016

Two training sessions were held for Board members during the year. The first (led by Mr Steve Lee of Investec asset Management) was held on 11 January 2016 immediately prior to the Board Meeting and the second was held on 13 June 2016 and led by Mr Richard Warden and Mr Robert Bilton from Hymans Robertson – the Fund's actuaries.

During its first year the Board's work programme has covered the following areas:-

- Review of the Fund's 2015 Annual Report and Financial Statements
- Review of Fund investment and administration performance.

The recently announced initiative by Central Government to direct the ninety LGPS funds in England and Wales to create a small number of investment pools of £25bn+, and to encourage more investment into infrastructure, presents all funds, including the Warwickshire Fund, with very significant challenges. The Board will monitor the Fund's progress in this area during the months ahead and seek to assist the Administering Authority to fulfil its responsibilities effectively and efficiently in this context.

Finally the members of the Board would wish to express their thanks and appreciation to the officers of the Fund for the assistance they have provided during this inaugural year.

Keith Bray

Independent Chairman

May 2016