

**Minutes of the meeting of the
Local Pension Board of Warwickshire Pension Fund
held on 27 November 2018**

Present:

Members

Councillor Parminder Singh Birdi, Keith Bray (Chair), Keith Francis, Alan Kidner and Councillor Dave Parsons

Officers

Helen Barnsley, Democratic Services Officer
Neil Buxton, Pensions Manager
Michael Nicolaou, Treasury and Pension Fund Manager
Chris Norton, Strategic Finance Manager
Jane Pollard, Legal Services Manager

Others

Robert Bilton from Hymans Robertson LLP

1. Introductions and General business

(1) Apologies

None

(2) Board Members' Disclosures of Interests

The Chair stated that he was an Officer of the Local Authority Pension Fund Forum and also worked for American lawyers who had pension fund clients but these did not include Warwickshire. Alan Kidner stated that his sister-in-law worked for J.P. Morgan. It was recognised that these were unlikely to present any issues but still worthy of recording.

(3) Minutes of the meeting held on 10 July 2018

With regards the accuracy of the minutes, Alan Kidner noted that under matters arising on page 2, the following sentence should be moved from the paragraph relating to investment pooling to the end of the first paragraph relating to recruitment – "Council's nationally were facing the same issues as WCC)

A query was raised relating to section 2, Administration Update. The minutes stated that an online tool was now available for Members to access in relation to the Risk Register. The Board felt this was not an accurate reflection of the discussion that took place and that in fact, the online tool was not yet live. It was agreed that Neil Buxton would provide an update at the next meeting.

It was noted that, in relation to the point on Cessations in section 2, the word college should be added after Stratford on Avon (bottom of page three of the minutes)

2. Pension Fund Annual Report & Accounts

Michael Nicolaou, Treasury and Pension Fund Manager introduced the report to the Board which had been approved by WCC Full Council at their meeting on July 26, 2018.

The key developments during 2017/2018 were highlighted in point 2.1 of the report. The Chair proposed that if there were any comments regarding the report they could be fed back to the officers directly, however, any questions relating to the content would be answered during the meeting.

It was explained that MIFID II was a process that ensured the local authority is treated as a professional investor; this is done via the opting-up process. It was noted that the WCC Section 151 Officer is due to leave the organisation in January 2019. The Board agreed that there is a need to investigate what impact this will have on the opting-up process moving forward. It was noted that every authority has to have a Section 151 Officer and although no final decision has been made by WCC, it is likely that the role will fall to one of the newly appointed strategic directors.

3. Administration Update

Neil Buxton, Pensions Manager gave an update to the Board; highlights of the report include

- The Web Page – the new site is now live and positive feedback has already been received. It was noted that officers have all worked incredibly hard on this project.
- Performance Indicators – apologies were given to the Board that there was no report to present at the meeting on performance indicators. There have been staffing issues in the department but it was noted that the remaining officers have all been working together in difficult circumstances. The Board is aware that there are increasing pressures with static resources.
- SCAPE Discount Rate – for members interest a brief explanation of SCAPE was provided; the unfunded public service pension schemes are subject to an actuarial valuation every four years. The purpose is to assess the value of pension rights being built up so that total contributions (from employer and employees) can be set at a level to reflect this. It has been confirmed that the increase in contributions will be covered by the allocations of funds from Central Government for 2019/20. The position is less clear for subsequent years.

4. Forward Plan

Chris Norton, Strategic Finance Manager introduced the report to the Board highlighting that the purpose of the report is to provide a draft forward plan for the Board looking forward twelve months. This is with the intention of maintaining an up to date programme of forward plan and agenda items which can be reviewed and updated at future meetings.

The Board members were invited to suggest other items for the forward plan via officers. It was also agreed that there would be three meetings of the Board each year.

5. Communications Strategy

Chris Norton, Strategic Finance Manager presented the Communications Strategy to the Board as it currently stands. It was noted that there are adjustments currently being reviewed and that a final update will be presented to the Board at a later date. The Board was advised that security measures had been taken into account, especially with regards to the new GDPR regulations and ICT security.

Other developments include –

- The increasing complexity of the scheme and numbers of employers and members.
- The developments around the pooling of pension fund investments.
- The development of online Member self-service.
- Automation of some of the work around communicating and validating employer contributions.

6. Summary of PFISC Papers

Chris Norton, Strategic Finance Manager presented the report to the Board which highlighted the papers and minutes from the Pension Fund Investment Sub Committee meeting on 10 September 2018.

Clarification was given that MFS was a Global Fund Management company contracted by the Warwickshire Fund. It was agreed that in future Chris Norton would provide valuation and performance figures from the exempt part of the PFISC minutes.

The Board reviewed and noted the minutes.

7. Any other business

The Board agreed that consideration should be given to the level of access the Board has to all PFISC papers – currently there is no access to exempt papers.

The Board were informed that Chris Blundell has vacated his post on the Board (he will also be leaving Rugby Borough Council). With reference to vacancies, it was noted that the Board was struggling to recruit members. There was a request for members to submit any ideas on recruitment plans to Chris Norton. One suggestion was that the Board could approach retired employees.

A final update regarding the insurance cover for the Board will be provided by Jane Pollard, to include what level the board has and who the provider is.

The board rose at 3.59pm

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Chair