

Warwickshire Local Pension Board

Wednesday, 26 February 2020

Minutes

Attendance

Committee Members

David Buckland
Keith Bray
Alan Kidner
Councillor Dave Parsons

Officers

Aneeta Dhoot, Senior Finance Officer
Neil Buxton, Technical Specialist - Pension Fund Policy and Governance
Liz Firmstone, Service Manager (Transformation)
Michael Nicalaou, Treasury and Pension Fund Manager
Jane Pollard, Legal Service Manager (Corporate)
Helen Barnsley, Democratic Services Officer
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)
Richard Ennis, Consultant on Special Projects
Andrew Felton, Assistant Director - Finance
Andrew Marson, Head of Pensions Administration

1. Introductions and General Business

(1) Apologies

Apologies were received from Councillor Parminder Singh Birdi and Keith Francis

(2) Board Members' Disclosures of Interests

The Chair stated that he works for the Local Authority Pension Fund Forum. In addition, he works for a firm of American lawyers which has Pension Fund clients, but these did not include Warwickshire.

Alan Kidner stated that his sister-in-law works for J.P. Morgan. It was acknowledged that these were unlikely to present any issues but still merited recording.

(3) Minutes of the Previous Meeting

The following amendment was requested in relation to Governance Review (item 2 of the agenda), with reference to point iv), the figure should read 89% and not 93%.

Following this amendment, the minutes were agreed by the Board as a true and accurate record.

2. Forward Plan

It was noted that the Forward Plan now reflects quarterly meetings and highlights other meetings linked to the Board meeting. The Board was asked to note that the time between meetings allows manageable workloads for officers.

It was confirmed that training plans have also now been included on the forward plan. Following a discussion in relation to member attendance at training days it was agreed that dates will be confirmed to include all members of the Board.

It was agreed that the training plan circulated by Andrew Marson will be completed by members and sent back to in order to collate the training needs of the Board. Andrew is happy to answer any questions or queries in relation to the training needs analysis.

3. Terms of Reference

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented the report to the Board highlighting a revised and updated Terms of Reference for the Board.

Members of the Board confirmed that some were missing pages of the report included in the pack while others had all pages.

It was agreed that the item would be deferred until the next meeting to allow all members to have time to read all the pages.

4. Administration Activity and Performance Update

Liz Firmstone, Finance Service Manager (Transformation) presented the report to the Board highlighting the key developments in the administration of the pension fund and updates following matters arising from previous Board meetings.

In relation to the update on training it was confirmed that any request for any training needs can be logged through the administration team. Training logs for all members are now up to date and are being maintained.

It was confirmed that the administration update report presented at future Board meetings will include a summary of any internal audit reports.

The Board was pleased to hear that 94% of annual benefit statements have now been issued. Those outstanding include those with no contact for members. It was confirmed that a tracing agency will now be used, and a further update will reflect this at the next meeting. It was confirmed that there are 344 which have not been issued because data issues remain outstanding, but work is in progress to work with employers to rectify this.

The Board acknowledged that it may not be possible to find everyone who the fund has lost contact with. The hope is that they will get in touch with the fund when they reach retirement.

An update was provided in relation to WCC payroll; reports are now being used to improve the quality of data and monthly monitoring is now in place to ensure that issues are quickly resolved.

With reference to the current membership of the Board - The vacancy for a member representative remains open. If the post remains unfilled then the administrating authority will need to refer to the terms of reference and potentially update them. The Chair confirmed that this matter is now urgent, and consideration needs to be given after the summer as to how to move forward. The Board members agreed that they would like to see the 3-and-3-member split remain and hope that the next round of recruitment is successful.

It was confirmed that there are two vacant posts within the Administration team, and one in the Investment team, with two of these currently filled by interim officers. Once filled the extra capacity will have a positive impact on managing workloads and enable further improvements in the administration of the fund.

Actions in response to the audit report were presented to the Board, who noted that out of 54 actions, 27 are now complete. Nine actions are due to be completed by the end of March 2020. The Chair and the Board congratulated the officer team on the obvious hard work being done and the progress made so far.

The Chair thanked officers for the comprehensive report – the Board found it extremely useful and were pleased to see positive reports. The administration practice is moving closer to industry best practice.

5. Administration Costs

Liz Firmstone, Finance Service Manager (Transformation) confirmed that as agreed at the November 2019 meeting, independent consultant, Ian Coleman has completed this review. This report highlights his findings.

The main conclusion from the report is that the current costs associated with the Warwickshire Pension Fund are suitable for a fund of this size, although they are above the average. It was noted that there are variations that need to be reviewed. Some component costs included Fire Pension costs which should not have been included and once they are removed the component costs are more acceptable.

The Board thanked officers for the encouraging report and stated that they looked forward to further updates.

6. Administration Strategy

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented the draft administration strategy to the Board highlighting that the document sets out the responsibility between the fund and employers; in particular, what the fund can do if the employers do not meet their responsibilities.

It was noted that page 6 of 24, the first paragraph should read LGA regulations 2013 not 2014; it was agreed that Jane Pollard, Legal Services Manager will check.

7. Risk Register

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented the report to the Board, highlighting each of the summary tables which included the high level of risks, likely impact of risks and impact of risks.

It was agreed that quarterly information will be presented at all meetings with summary reports for members.

Following a question in relation to the potential impact of the coronavirus; Chris Norton confirmed that it is likely to have a short term and long-term impact. There may also be an impact on business continuity and access to funds.

8. Business Plan 2020/21

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) confirmed that the Business Plan has two overall objectives; ensure payments are made when they are due and ensure that payments are accurate. The report highlights the change in demand on the fund's administration team due to the growth of the fund, as well as the increased focus on date accuracy and quality.

9. Review of the minutes of the Pension Fund Investment Subcommittee

The Board noted the minutes of the Pension Fund Investment Sub Committee from the meeting held on the 9 December 2019

10. Review of the minutes of the Staff and Pensions Committee

The Board noted the minutes of the Staff and Pension Committee from the meeting held on the 9 December 2019

The Chair noted that the comment under point 8 in relation to members not being fully aware of the value of their pensions was a valid point. However, there were difficulties in how best to achieve more publicity on this matter without adding confusion.

11. Reports Containing Confidential or Exempt Information

12. 2019 Valuation

13. Climate Change and Environmental, Social, and Governance Policy

14. Investments Update