

# Pension Fund Investment Sub-Committee

Monday, 8 June 2020

## Minutes

### Attendance

#### Committee Members

Councillor Bob Stevens (Chair)  
Councillor Neil Dirveiks  
Councillor Bill Gifford  
Councillor John Horner  
Councillor Wallace Redford

#### Officers

Helen Barnsley, Democratic Services Officer  
Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
Aneeta Dhoot, Senior Finance Officer  
Michael Nicolaou, Interim Treasury and Pension Fund Manager  
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)  
Jane Pollard, Legal Service Manager (Corporate)  
Andrew Felton, Assistant Director - Finance  
Shawn Gladwin, Senior Finance Officer Pensions Investment  
Victoria Moffett, Pensions and Investments Manager  
Sukhdev Singh, Principal Accountant

#### Others Present

Emma Garrett (Hymans Robertson)  
Peter Jones (Independent Advisor)  
Mark Lyons (Border to Coast)  
Paul Potter (Hymans Robertson)  
Karen Shackleton (Independent Investment Adviser)  
Andrew Stone (Border to Coast)

### 1. General

#### (1) Apologies

None

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

None

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

The minutes of the previous meeting were agreed as a true and accurate record. There were no matters arising.

## **2. Forward Plan**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report which sets out the planned agenda items for the next twelve months for the Sub-Committee.

Confirmation was given that risk monitoring would be a standing item on agendas moving forward and would be reviewed quarterly.

It was also noted that there is a dedicated Covid related report included in the forward plan for at least one further Committee meeting. The Committee acknowledged that the situation was ever changing and welcomed the addition of the new report.

### **Resolved**

The Pension Fund Investment Sub-Committee notes and comments on the forward plan.

## **3. PFISC Training Plan**

Michael Nicalaou, Interim Treasury and Pension Fund Manager presented the training plan to the Committee, confirming that the subject options were consistent with the needs of the members.

It was confirmed that the training plan will be updated annually and that the plan includes two dedicated training days during the year.

The Committee noted that Karen Shackleton, Independent Investment Adviser confirmed that she was able to offer some training sessions virtually and had held successful virtual sessions since the lockdown period due to Covid-19 had started.

Paul Potter, Hymans Robertson welcomed the addition of climate change training and suggested to the Committee that it would be timely to review the timetable of training in view of the current and changing circumstances.

Following a question from Councillor John Horner, it was confirmed that information would be requested as to the possibility of adding completed pension training to an individual's Your HR record.

### **Resolved**

The Pension Fund Investment Sub-committee notes the proposed training plan and options.

#### **4. Funding Strategy Statement**

Neil Buxton, Technical Specialist, Governance and Commissioning presented the report to the Committee confirming that the Funding Strategy Statement (FSS) focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers pay for their own liabilities.

The Committee noted that following an amendment to the Local Government Pension Scheme Regulations, the FSS (approved by the Sub-Committee at its meeting of 12 March 2020) requires amendment, to have appropriate regard to the issue of exit credits. The amendment will ensure that exit credits are managed and present a minimal risk to the Pension Fund.

#### **Resolved**

The Sub-Committee approves the amended Funding Strategy Statement (FSS) as attached at Appendix 1.

#### **5. Pension Fund Risk Monitoring**

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report to the Committee confirming that a copy would also be presented at the Staff and Pensions Committee meeting (held on 08/06/2020). It was noted that the report presented to members of the Pension Fund Investment Sub-Committee focuses on investment risk; and the report presented to Staff and Pensions will focus on the administration risk (to the fund).

The Committee noted that the impact of Covid-19 has been identified in the report, however there is a separate report dedicated to the impact of Covid-19 under item 10 of the agenda.

Following a question from Councillor Neil Dirviaks in relation to the Cyber Security Policy, it was confirmed that this item was due to be presented at the Staff and Pension Committee later today. However, in view of time constraints at the meeting driven by the new remote meeting arrangements, priority items had remained on the agenda and the decision was taken to move the Cyber Security Policy to a future meeting.

Following a suggestion from Peter Jones, Independent Advisor, the Committee agreed to remove the word “significantly” from item 9, (table 1 (Risk Assessment Update)).

In relation to item 4, (table 1 (Risk Assessment Update)), Karen Shackleton, Independent Advisor suggested that the risk level be increased due to the increased volatility in markets due to the current situation.

#### **Resolved**

That the Pension Fund Investment Sub Committee notes and comments on the report.

## **6. Reports Containing Confidential of Exempt Items**

### **Resolved**

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. Investment Performance Report**

### **Resolved**

That the Pension Fund Investment Sub-committee ("Sub-committee") note the Warwickshire Pension Fund's value and investment performance for the fourth quarter of 2019/20 to 31st March 2020.

That the Sub-committee note the Warwickshire Pension Fund's voting activity for the quarter to 31st December 2019.

## **8. PFISC Quarterly Funding and Performance Report**

### **Resolved**

That the Pension Fund Investment Sub-committee (PFISC) notes and comments on the update.

## **9. Border to Coast Update**

### **Resolved**

That the Pension Fund Investment Sub-committee ("Sub-committee") notes and comments on the update on Border to Coast Pensions Partnership (BCPP) developments overall.

That the Sub-committee notes and comments on the BCPP alternative assets updated.

That the Sub-committee notes and comments on the BCPP Investment Grade Credit transition.

That the Sub-committee notes and comments on the update on the BCPP alternative sub-funds.

That the Sub-committee notes and comments on the update on the BCPP UK and Global Equity Alpha Funds performance.

## **10. Covid-19 Investments and Funding Impact and Actions**

### **Resolved**

That the Pension Fund Investment Sub Committee notes and comments on the report.

## **11. PFISC Cash and Cashflow Management**

### **Resolved**

That the Pension Fund Investment Sub-committee (the "Sub- committee") notes and comments on the Warwickshire Pension Funds (the "Fund") cash management approach to the market volatility induced by the coronavirus pandemic.

That the Sub-committee notes and comments on the Hymans strategic cashflow management proposal for the Fund.

## **12. Exempt Minutes of the previous meeting 12.03.2020**

The exempt minutes of the previous meeting were agreed as a true and accurate record. There were no matters arising.

The meeting rose at 12:30

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Chair