

Warwickshire Local Pension Board

26 April 2022

Business Plan update

Recommendation

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

1. Executive Summary

- 1.1 The Fund Business Plan for the year ending April 2022 was approved by the Pension Fund Investment Sub-Committee in March 2021. This report provides a quarterly progress update against the action plan.
- 1.2 Appendix 1 breaks down the Business Plan into the 42 actions identified in the original plan. 7 further actions have been added making 49 in total. These additional actions are tagged with new reference numbers so that it is clear which actions are from the original plan and which are new. All original plan items retain their original reference number.
- 1.3 Actions are RAG rated as follows:

Rating	Description
Blue	Completed
Green	Action ok or materially ok.
Amber	Action materially off track but can be managed back on track or the objective can be revised without need for escalation outside of the team
Red	Action is materially off track and cannot be resolved without escalation, or requires escalation outside of the team by its nature, even if a resolution is in place

- 1.4 The summary RAG rating assessment is as follows:

Rating	C1 Admin	C2 Actuarial	C3 Investments	C4 Governance	Total
Blue	5	0	1	5	11
Green	9	1	10	8	28
Amber	4	2	2	2	10
Red	0	0	0	0	0
Total	18	3	13	15	49

- 1.5 The majority of actions are on track but there are a number of activities where there are challenges flagged as amber. There was one item flagged as green last quarter which has moved to amber and two which were amber and have now moved to green. Further details are set out below:
- 1.5.1 Item C3.26 Become a signatory to the 2020 UK Stewardship Code: this is a voluntary code that the Fund has indicated a wish to sign up to. Drafting the Fund's first response continues but it is possible that it may not meet the requirements of the Financial Reporting Council. There are no implications if the Fund does not pass first time, another submission may be provided in October.
- 1.5.2 Item C1.+1 Pensions Dashboard: this has changed back to green from amber due to the team completing the work that can be done at this point in time.
- 1.5.3 Item C3.27 Review of TCFD disclosure requirements: recent feedback is that TCFD regulations and guidance won't be in place until late 2022. Therefore, there is little that the Fund can do to review the requirements. This has caused the item to move from amber to green.
- 1.6 The resourcing request put forward in December is being progressed with the recruitment of a Junior Accountant starting, and an Investment Analyst in the pipeline. The Governance Officer role has expanded from 4-days/week to 5 days/week which provides some extra capacity.

2. Financial Implications

- 2.1 Many aspects of the business plan have financial implications. Financial implications are reported and managed appropriately for each issue and are not listed / repeated here. For example, the Pension Fund Investment Sub-Committee receive information on the impact of Covid-19 on investments.

3. Environmental Implications

- 3.1 There will be environmental implications for some aspects of the Fund's activities. The Fund has a Climate Risk strategy and Responsible Investment Policy which guide its approach to environmental issues.

4. Supporting Information

None

5. Timescales associated with the decision and next steps

- 5.1 Officers will continue to monitor activity against the business plan regularly,

and activity will be reported quarterly to the Local Pension Board.

Appendices

Appendix 1 – Quarter 4 Business Plan Monitoring

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a