

# **Pension Fund Investment Sub-Committee**

**12 December 2022**

## **Governance Report**

### **Recommendations**

That the Pension Fund Investment Sub-Committee:

1. Considers and comments on the items contained within this Governance Paper.
2. Provides comment on the Funding Strategy Statement (FSS) (Appendix 6) that was previously issued to employers and members in an official consultation.

### **1. Executive Summary**

- 1.1 This report summarises the main governance issues currently affecting the Warwickshire Pension Fund. These areas include the Forward Plan, Risk Monitoring, updated policies and training.

### **2. Financial Implications**

- 2.1 There are no financial implications arising directly from this report. Where changes to policies are recommended, any implications arising from those changes are covered in the body of the report.

### **3. Environmental Implications**

- 3.1 As stated in previous Governance Reports Climate Risk is identified as a key risk on the Fund's Risk Register and is also covered within the revised Responsible Investment Policy included at Appendix 1 to this Report.

### **4. Supporting Information**

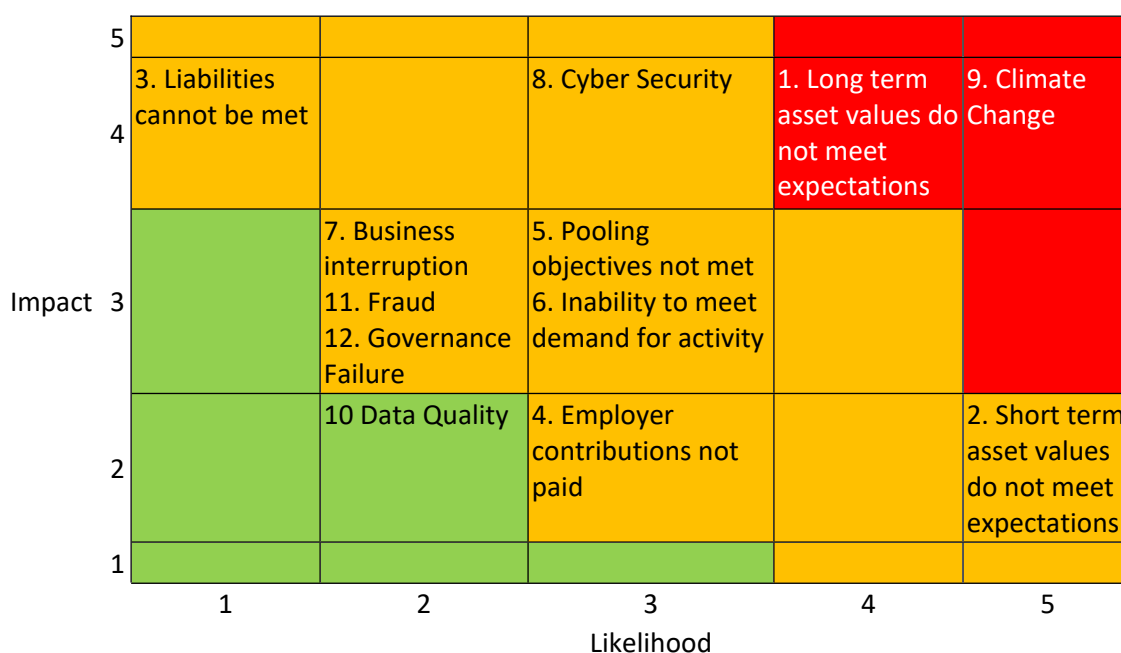
#### ***Forward Plan***

- 4.1 The purpose of including the Forward Plan in this report is to provide an updated position for the Pension Fund Investment Sub-Committee rolled

forward to cover the year ahead. The Plan is set out in Appendix 1 and Committee comments are welcomed.

**Risk Monitoring**

- 4.2 This section provides an update on the risks facing the Fund and the management actions necessary to address them. Fund Officers have reviewed the risks and do not consider that any amendments are required to the Risk Register for this period.
- 4.3 Appendix 2 reproduces the Fund’s risk appetite. Appendices 3 and 4 reproduce the criteria for scoring risks and Appendix 5 provides the current full risk register.
- 4.4 Any updates to the commentary in the risk register made since the previous report to the Investment Sub-Committee are presented in red font, and where future actions have become current actions, these are highlighted in a green font.
- 4.5 The following chart shows the net risks facing the Fund:



- 4.6 The Risk Register was reviewed with one of the Fund’s Investment Advisers this quarter. Several minor changes were made, including:
  - i.) A decrease in the likelihood of our pooling objectives not being met as a result of ongoing beneficial engagement with the Border to Coast Pension Partnership; and
  - ii.) The Climate Change residual impact score has been increased after discussion, about the reality of the risks emerging, although both Officers and our adviser do accept that Fund is engaging further with organisations around the fund’s Responsible Investment and Climate risk objectives.

### ***Policies***

- 4.7 The Climate Policy that is currently being reviewed by Hymans Robertson following the workshop held by Officers and Advisers on [DATE] will be brought to the next Committee meeting for approval.
- 4.8 Fund Officers also welcome any comments on the Funding Strategy Statement (FSS) in Appendix 6. This has already been issued to members of this Committee along with employers as part of the official consultation.

### ***Training***

- 4.9 Our current 'Training Schedule' which sets out the in-house and external training offer provided is attached at Appendix 7.
- 4.10 The Fund would like to thank all members who completed the Knowledge and Skills Assessment, the results of which will be used to plan future training Programmes.

## **5. Timescales associated with the decision and next steps**

- 5.1 None

### **Appendices**

- Appendix 1 - Forward Plan
- Appendix 2 - Fund's risk appetite
- Appendix 3 - Risk criteria
- Appendix 4 - Risk Scoring
- Appendix 5 - Risk Register
- Appendix 6 - Funding Strategy Statement (Draft)
- Appendix 7 - Training Plan

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

Local Member(s): n/a

Other members: Councillor Christopher Kettle and Councillor Bill Gifford