

# Warwickshire Local Pension Board

Tuesday 16 April 2024

## Minutes

### Attendance

#### Committee Members

Keith Bray (Chair)  
Jeff Carruthers  
Beverley Farmery  
Keith Francis  
Councillor Ian Shenton  
Mike Snow

#### Officers

Liz Firmstone, Head of Finance Transformation and Transactions  
Chris Norton, Head of Investments, Audit and Risk  
Sarah Cowen, Senior Solicitor  
Martin Griffiths, Technical Specialist Pensions Fund Policy and Governance  
Lisa Eglesfield, Team Lead Benefits  
Andy Carswell, Democratic Services Officer

### 1. Introductions and General Business

#### (1) Apologies

No apologies had been received.

#### (2) Board Members' Disclosures of Interests

The Chair stated that he worked for the Local Authority Pension Fund Forum and also for a firm of American lawyers which had Pension Fund clients, although these did not include Warwickshire.

#### (3) Minutes of the Previous Meeting

The minutes of the meeting held on 30 January 2024 were agreed as an accurate record, subject to a small amendment to section 1 (3) to say: "These would enable the Council to set a balanced budget for the 2024/25 financial year and a five-year medium term financial strategy, and a section 114 *notification* was not something that Warwickshire County Council needed to be concerned with at this time."

Regarding the results of the skills and knowledge assessment, Martin Griffiths (Technical

Specialist, Pensions Fund Policy and Governance) said these were being compiled and any issues arising from them would be added to the training plan. A session on cyber security was planned.

## **2. Governance, Regulatory and Policy Update Report**

The item was introduced by Martin Griffiths, who gave a summary of issues relating to governance and policy. These included:

- Governance failure had been given a red rating on the risk register, to go with cyber security, climate change and long-term assets not meeting expected valuations. A large amount of additional work was required due to several new areas of legislation relating to governance that had been introduced, such as the General Code of Practice. The Fund had 12 months to implement this work in order to comply with the new legislation. A report on this would be considered by the Pension Fund Investment Sub Committee in due course.
- Recruitment and retention of permanent staff remained an issue. Three senior officer roles were being advertised, with a deadline for submissions in late April. Members were told an interim senior accountant and team leader had been appointed within the last week, but these were only temporary and it may be some months before a permanent replacement with the appropriate skills could be found. It was hoped interviews for a new Head of Finance would take place soon.
- The cyber security policy had been updated. The risk management policy had been reviewed but no changes were deemed necessary. A review of the climate risk policy had been due but because of other work pressures this had been pushed back to the September Pension Fund Investment Sub Committee. The business continuity plan had been updated but further work was needed. A meeting on this topic was due to take place the following month.
- Training sessions for Board and Committee members had been booked and details would be circulated in due course.
- New employee contribution bands had taken effect from 1 April. This did not affect employers.

Members noted the contents of the report and update.

## **3. Pension Administration Activity and Performance update**

The item was introduced by Lisa Eglesfield (Interim Pension Administration Delivery Lead), who provided the following updates:

- Takeup and usage of the member self service portal was continuing to increase slowly. Annual benefit statements would be available to view online when released and it was hoped this would lead to another increase in portal users. The LGA was collecting data for portal usage with a view to identifying areas of good practice. The main benefit of the portal had been it made it easier for pension holders to project their pension estimates.
- Work was continuing to make sure the national pensions dashboard would be launched on target. It was hoped that once fully implemented it would further increase usage of the member self service portal.

- KPIs were continuing to perform well. Many of the lower performing KPIs were affected by issues that were outside of the Fund's control. Following guidance from the Scheme Advisory Board, the KPIs were in the process of being reviewed and amended.
- From 1 April there had been a 6.7 per cent increase in pension payments being made.
- The Multi Academy Trust that had been shown as having a red rating regarding a breach did not have this rating as of February. The most recent data available in the report was from January. There were six other employers that were in breach due to issues relating to employer contribution payments. These had been referred to the Pensions Regulator and a response was awaited.
- There was one new IDRPs referral, which was at stage one. Another referral, for which it had been anticipated a resolution would be found, had instead now progressed to stage two.
- A revised business case was going through the corporate approval process.

Responding to a question from Jeff Carruthers regarding scams, Lisa Eglesfield said these were rare but there were controls in place to prevent them happening. The most common red flag would be a pension holder asking to transfer out all of their money to a private pension that was not an LGPS or other public sector scheme. This would happen infrequently however, perhaps only 20 times per year.

Regarding KPI performance, the Chair said it would be useful if the performance rate in the current quarter could be compared to that of the previous quarter and asked if this could be included in future reports. Lisa Eglesfield said it would be possible to include data comparing performance to the same quarter in the previous year.

Members were told the launch date for the pensions dashboard to the public had been pushed back to October 2026. However the date for Warwickshire to connect to the dashboard was still October 2025. The procurement process for provision of the dashboard's ISP was still ongoing.

Regarding the McCloud remedy, Lisa Eglesfield said 11,000 records had been processed and 200 underpayments had been found.

Members noted the contents of the report.

#### **4. Warwickshire Pension Fund Business Plan Report**

The item was introduced by Chris Norton (Head of Investments, Audit and Risk), who advised the quarter 4 update had been approved by members of the Pension Fund Investment Sub Committee. There were a small number of KPIs that had an amber rating. Of particular significance were compliance with the Stewardship Code and TCFD disclosure requirements, which had been affected by staff resourcing and capacity issues. Chris Norton reminded members that the Stewardship Code was not statutory, and the TCFD had not yet come into force.

There would be a revised set of actions for the 2024/25 financial year. There would be fewer actions but they would be more tightly focused. Climate change and cyber security had been identified as the most significant risks.

Members noted the contents of the report.

**5. Investment Update**

The item was introduced by Chris Norton. He said the Fund’s performance over the previous quarter had been above the benchmark. There had been a reduction in assets’ exposure to risk and an increase in investment in alternatives.

Regarding pooling, Chris Norton said the Warwickshire Pension Fund would be remaining within Border to Coast along with 11 partner Funds. He said the government had announced its preference for there to be a smaller number of pensions pools; however, in larger pools it was easier for individual Funds to access services and skills.

Members noted the contents of the report.

**6. Minutes from the March 2024 Pension Fund Committees**

Members noted the contents of the minutes of the March 2024 meetings of the Staff and Pensions Committee and the Pension Fund Investment Sub Committee without comment.

**7. Any Other Business**

The Chair told members this was Keith Francis’s last meeting as a Board member as he had completed the maximum number of terms allowed under the terms of reference. The Chair said he had been a valuable member of the Board and thanked him for his years of service.

Members were also told Martin Griffiths was starting a new role with the Berkshire Pension Fund and this was also his final meeting. The Chair thanked him for his work supporting the Board and wished him well in his new role.

The meeting rose at 12.55pm

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Chair