

Local Pension Board of Warwickshire Pension Fund

Annual Report

The Public Services Pensions Act 2013 required the Administering Authority for each Local Authority Pension Scheme (LGPS) fund in England and Wales to establish a Local Pension Board no later than 1 April 2015. Subsequent Regulations issued by the Department for Communities and Local Government (DCLG) required that the boards should be operational before 1 August 2016.

The role of local pension boards is to assist the Administering Authority to secure compliance with LGPS Scheme Regulations and other legislation relating to the governance and administration of the fund, together with any requirements imposed by the Pensions Regulator. In short, the Board's role is to ensure the effective and efficient governance and administration of the Warwickshire Fund

The Regulations also require the membership of the Board to be made up of equal numbers of employer and employee representatives with a minimum of four members i.e. at least two employer representatives and two employee representatives. The employee representatives on the Board must be independent of the Fund - that is to say they must have no involvement with the day to day management of the Fund.

The Board may be chaired by one of these Board members or an independent, non-voting Chairperson may be appointed.

The Warwickshire Board was established as required by the 2013 Act and met for the first time on 28 July 2015. The membership of the Board has been as follows:-

Employer representatives

Councillor A Cockburn (Warwickshire County Council) until 23 May 2017

Councillor Jill Simpson-Vince (Warwickshire County Council) from 23 May 2017

Mr Keith Francis (The Citizens Advice Bureaux Service)

Ms Heather Costello (Warwickshire Police) until 6 December 2016

Mr Jeff Carruthers (Warwickshire Police and West Mercia Police) from 6 December 2016

Employee Representatives

Mr Andy Crump (Unison)

Mr Alan Kidner (Unison)

Councillor Matt Western (Warwickshire County Council) until 22 March 2016

Councillor Peter Morson (Warwickshire County Council) from 22 March 2016 until
23 May 2017

Councillor Matt Western (Warwickshire County Council) from 23 May 2017

Independent Chairman (Non- voting)

Mr Keith Bray (formerly Director of Financial Services at the City and County of Cardiff)

The Board met on two occasions during 2016/17

14 July 2016 – Full attendance

12 January 2017 – Councillor Alan Cockburn tendered his apologies for his absence

The Board will meet again on 11 July 2017

During the year the Board's work programme has covered the following areas to ensure the effective and efficient governance and administration of the Warwickshire Fund:-

- **Monitoring and review of the Pension Fund Investment Sub Committee meetings on**

14 March 2016

13 June 2016

12 September 2016

13 December 2016

- **Monitoring and Review of Progress with regard to the pooling of LGPS funds in England and Wales.**

In last year's report reference was made to the proposal by Central Government to direct the ninety LGPS funds in England and Wales to create a small number of investment pools of £25bn+, and to encourage more investment into infrastructure. It was noted that this initiative would present all funds, including the Warwickshire Fund, with very significant challenges.

During the year the Board has monitored the Fund's progress in this area and, at the July 2016, meeting received a detailed presentation from Mr Mark Packham, of the Consultants PriceWaterhouseCoopers (PWC) setting out the rationale which had led to the decision by the Fund to join the Borders to Coast Pool which consists of thirteen funds including the Warwickshire Fund.

It was emphasised that while it was anticipated that there would be significant saving from the pooling of funds there remained uncertainty about the transition costs.

In this context, at the July meeting the Board also received a presentation from Mr Mat Dawson, Warwickshire's Treasury and Pension Fund Manager, regarding the transparency of Investment costs and fees.

- **Monitoring and review of the triennial actuarial valuation conducted by Hymans Robertson.**

At the meeting on 14 July 2016 the Board received an update on progress with the valuation from Mr Neil Buxton, Warwickshire Pension Manager. Subsequently, Mr Richard Warden, the representative of Hymans Robertson (the Fund's actuary) provided an overview of the valuation at the meeting on 12 January 2017.

- **Monitoring and review of administration of the Fund**

Seeking to ensure that they are fulfilling their responsibilities the members of the Board have received updates on the administration of the Fund including benchmarking results, complaints, breaches and collaboration with other funds. Board members have also spent a considerable amount of time reviewing the Fund's Annual Report and other supporting documents.

The members of the Board would wish to express their thanks and appreciation to the officers of the Fund for the assistance they have provided during the year.

Keith Bray

Independent Chairman

June 2017