

Report for: Pension Board

Date of Meeting:	28 July 2022
Subject:	Review of Pension Fund Committee Items
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	Not applicable
Enclosures:	Appendix 1 – Pension Fund Valuation at 31 March 2022

Section 1 – Summary and Recommendations

This report summarises the matters considered by the Pension Fund Committee at its next meeting on 9 March 2022, and to be considered at its next meeting on 26 July 2022 and invites the Board to agree any comments they might wish to make to the Pension Fund Committee.

Recommendations:

The Board is requested to note the report and comment as necessary.

Section 2 – Report

1. At its meeting on 9 March 2022 the Committee considered the following items

Report	Comments
Part I	
Appointment of Independent Advisors	Mr Colin Robertson and Alderman Richard Romain were reappointed as the Committee's independent advisors.
Performance Dashboard and Update on Regular items	The Committee considered the report, which summarised the position of the Fund at the end of Q4 2021 (31

	December 2021) and agreed a draft work programme for the Committee for the 2022-23 municipal year.
Review and Approval of Fund Policies	The Committee considered and approved four Fund Policies, all of which had been previously reviewed by the Board and reflected the comments and recommendations of the Board, as follows: <ul style="list-style-type: none"> - Breaches Policy - Conflicts of Interest Policy - Pension Fund Administration Strategy - Training Policy
Review of Pension Fund Risk Register	The Committee reviewed the Register and noted the additional mitigations in place for some risks.
Part II	
2022 Triennial Valuation – Review of Assumptions	The Fund’s Actuary – Laura McInroy of Hymans Robertson – presented to the Committee on the approach and assumptions to be used in the valuation. The report was considered in part 2 as Hymans Robertson regard the valuation methodology as being their intellectual / commercial property.
Review of Emerging Market (EM) Equities	The Committee approved the redemption of the Fund’s EM equity investments managed by GMO, and the investment of the proceeds in the London CIV Emerging Market Equity Fund.

2. The Committee’s next meeting was due to be held on 26th July 2022. As there are no decision required, the meeting will instead be an informal induction / training session, beginning at 5.30pm. Pension Board members will be invited to join this session, and will receive copies of the papers.

3. The items to be covered are in the following table

Item	details
Performance Dashboard and Update on Regular items	The Committee considered the report, which summarised the position of the Fund at the end of Q1 2022 (31 March 2022) and the draft work programme for the Committee for the remainder of the 2022-23 municipal year.

2022 Triennial Valuation – Review of Assumptions	The Fund’s Actuary – Laura McInroy of Hymans Robertson – will update the on the progress with the triennial valuation and the next steps.
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4. The Pension Fund’s investments were valued at £1,018m at 31 March 2022. The details are shown at appendix 1. There have been further drawdowns to both the LCIV Infrastructure Fund and the LCIV Renewables Infrastructure Fund Q2 of 2022, and the transition of Emerging market equities (see above) will be completed in July 2022. At 31 March 2022, 69.9% of the Fund’s investments were pooled or in passive investments which are regarded as being pooled.
5. The Fund’s past service liabilities at 31 March 2022 totalled £1,010m meaning the Fund was approximately 101% funded.

Legal Implications

6. There are no direct legal implications arising from this report.
7. The terms of reference for the Board include assisting the Administering Authority (London Borough of Harrow) as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme.

Financial Implications

8. Whilst the performance and effective controls of the fund managers is of paramount importance in the performance of the Pension Fund, there are no direct financial implications arising from this report.

Risk Management Implications

9. The Pension Fund’s Risk Register is reviewed regularly by both the Pension Fund Committee and by the Board. The next review will be considered by the Board at this meeting.
10. There are no specific risk management implications arising from this report. The level of risk to which its investments are exposed is a key component in developing the Fund’s investment strategy

Equalities implications / Public Sector Equality Duty

11. Was an Equality Impact Assessment carried out? No
12. There are no direct equalities implications arising from this report.

Council Priorities

13. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 07/07/2022

Statutory Officer: Sharon Clarke

Signed on behalf of the Monitoring Officer

Date: 07/07/2022

Chief Officer: Dawn Calvert

Signed on behalf of the Corporate Director

Date: 07/07/2022

Mandatory Checks

Ward Councillors notified: Not Applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Background Papers: None