

REPORT FOR: Pension Fund Investment Panel

Date of Meeting: 6th March 2013

Subject: Information Report - Update Report and Action Points from Previous Meetings

Responsible Officer: Julie Alderson, Corporate Director of Resources

Exempt: No.

Enclosures: Appendix 1- Action Points

Section 1 – Summary and Recommendations

This report provides an update (appendix 1) of actions taken since the last meeting.

FOR INFORMATION

Section 2 – Report

1. An update of actions taken from prior meetings is summarised in appendix 1.

Section 3 – Further Information

2. See appendix 1.

Section 4 - Financial Implications

3. Financial implications are central to the issues discussed in the paper.

Section 5 – Equalities Implications

4. Was an Equality Impact Assessment carried out? Yes.
5. There are no direct equalities implications relating to the Pension Fund.

Section 6 - Corporate Priorities

6. Corporate Priorities are not applicable to Pension Fund as it does not have a direct impact on Council's resources.

Section 7 - Statutory Officer Clearance

Name: Julie Alderson	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 21 February 2013		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 20 February 2013		

Section 8 - Contact Details / Background Papers

Contact: George Bruce (Treasury and Pension Fund Manager) Tel: 020-8424-1170 / Email: george.bruce@harrow.gov.uk

Background Papers: Nil

London Borough of Harrow

Pension Fund Investment Panel

Update Report and Action Points – 6th March 2013

Issue/decision	Source	Action Taken	Next Steps
<u>Market Update Report</u> The equity allocation is reduced to 69% and proceeds held in cash pending a future report on the options available to the Panel.	Nov 2010 Minute 49	£22 million is being held in cash.	Options for the cash balance are under consideration as part of the strategy review.
<u>Responsible Investment</u> RESOLVED: That the report be deferred to a future meeting and officers, as part of this, be requested to address the comments above.	15 Nov 2011 Minute 125	Additional information on the legal position, union views, investment manager stance and income / cost impact is being collected.	Ongoing.
<u>BlackRock Bond Opportunities</u> The report was deferred for consideration at the next meeting.	Jun 2012 Minute 163	N/A	Carried forward pending completion of the strategy review.
<u>Governance of the PFIP</u> RESOLVED: (1) that the outline proposals for the terms of reference of the Pension Fund Investment Panel to be expanded, as set out in the report, be taken to the Constitution Review Working Group for consideration; (2) that following (1) above, detailed proposals be drafted and recommended to the LGPC; (3) that consideration be given to expand the membership of the Pension Fund Investment Panel to include two independent, co-opted members to act in an advisory capacity;	Nov 2012 Minute 186	A revised remit has been discussed with Legal Dept and will be reviewed by Constitution Review Working Group prior to presentation to Council. Investigation underway of remuneration levels for similar roles within other LBs	Ongoing Ongoing

<p><u>Review of the Investment Strategy</u> RESOLVED:</p> <p>1. the Panel agrees to a transitional revised strategy, which requires that:</p> <p>a) all cash holdings (to the sum of £20m) be invested in Diversified Growth Funds (DGFs);</p> <p>b) DGF investments will be placed with no more than two fund managers;</p> <p>c) prospective fund managers, as agreed by the Panel, will be invited to tender for the management of DGFs on behalf of the Council's pension fund;</p> <p>and that</p> <p>2) The Panel will determine at the next meeting the amount to be invested, and how any agreed increase in allocation beyond existing cash balances will be funded.</p>	<p>Jan 2013 Minute 196, 198 and 200</p>	<p>Six short-listed managers presented on 11th February 2013.</p>	<p>Finalisation of the strategy and appointment of DGF managers are both on the agenda.</p>
<p><u>Update Report</u> That the report be noted.</p>	<p>Jan 2013 Minute 197</p>	<p>N/A</p>	<p>Complete.</p>