

REPORT FOR: Pension Fund Committee

Date of Meeting:	25 th November 2013
Subject:	Appointment of Additional Investment Adviser
Responsible Officer:	Simon George, Director of Finance and Assurance
Exempt:	No
Enclosures:	Appendix 1- Role Description

Section 1 – Summary and Recommendation

The report reminds the Committee of its previous discussions concerning the appointment of an additional investment adviser and makes proposals in respect of such an appointment.

Recommendation

The Committee is recommended to agree a role description, fee, advertising strategy and appointment strategy for an additional investment adviser for the Fund.

Section 2 – Report

1. At its recent meetings the Committee has discussed increasing the advisory resources available to the Committee with a preference to look for a second adviser rather than appoint additional Members to the Committee.
2. Currently, the Committee has one adviser at Committee level, Howard Bluston and it is also advised by officers, AonHewitt and Hymans Robertson. Advice is also available from fund managers.
3. At its meeting on 18 September the Committee agreed that officers should prepare a draft role description and person specification to allow the Committee to determine the calibre of person required and the level of fee. Members further agreed that were such an individual to be appointed he/she should be able to attend meetings, challenge officers and advisers and offer an additional informed opinion with a specialism in investment rather than governance. The Committee additionally felt that the position should be advertised locally seeking an individual with local connections and that a fee of £10-20,000 pa be offered for a suitably qualified person who would work on a self-employed basis.
4. Attached as Appendix 1 is a role description which the Committee are invited to consider. It is suggested that the fee be circa £15,000 pa and initially an advertisement be placed in the Harrow Observer and the Harrow Times and on the Council's website.
5. For roles of this kind pension funds often request that applicants are in possession of Professional Indemnity Insurance (PII) cover. However, it may be that potentially suitable candidates do not currently maintain such cover and may be discouraged from applying for the position. It is therefore recommended that, on appointment, the successful candidate be asked to obtain PII at an appropriate level for which the Fund will reimburse the costs.
6. If the Committee are minded to agree to a suitable person being sought advertisements would be placed during December.

Section 3 – Further information

7. N/A

Section 4 - Financial Implications

8. The expenditure of circa £15,000 pa would be a charge to the Pension Fund. Regulation 4(5) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 allow the costs, charges and expenses of administering the fund to be paid from it.

Section 5 - Risk Management Implications

9. Risk included on Directorate risk register? No
10. Separate risk register in place? No

Section 6 - Equalities implications

11. Was an Equalities Impact Assessment carried out? No
12. There are no direct equalities implications relating to the Pension Fund..

Section 7 - Corporate Priorities

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

Section 9 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 12 November 2013		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 14 November 2013		

Section 9 - Contact Details and Background Papers

Contact: Ian Talbot (Treasury and Pension Fund Manager) Tel: 020-8424-1450 / Email: ian.talbot@harrow.gov.uk

Background Papers: Nil

If appropriate, does the report include the following considerations?

1.	Consultation	N/A
2.	Priorities	N/A