

## **REPORT FOR: Pension Fund Committee**

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<b>Date of Meeting:</b>	19 <sup>th</sup> March 2014
<b>Subject:</b>	<b>Information Report</b> - Update Report and Action Points from Previous Meetings
<b>Responsible Officer:</b>	Simon George, Director of Finance and Assurance
<b>Exempt:</b>	No.
<b>Enclosures:</b>	Appendix 1 - Update Report and Action Points Appendix 2 – Meeting Plan 2014 Appendix 3 – Pension Fund Committee - Membership and Remit

### **Section 1 – Summary and Recommendations**

This report provides an update (Appendix 1) of actions taken since the last meeting and of the meeting plan 2014 (Appendix 2).

**FOR INFORMATION**

## **Section 2 – Report**

1. An update of actions taken from prior meetings is summarised in Appendix 1. Additional comments are given below.

### **Call for Evidence on the Future Structure of the LGPS**

2. On 18 October the Local Government Minister announced that the Government was pushing ahead with scheme reform and that he had commissioned a report to examine three options: a single national investment fund vehicle; a small number of closely aligned combined investment vehicles; an outright merger of the 89 existing funds.
3. The Government's announcement on their proposed direction of travel is still awaited.

### **Lead member Roles**

4. At the meeting on 25<sup>th</sup> November 2014, all Members were allocated at least one lead member role.

### **Independent Adviser**

5. The role of Independent Adviser to the Committee was advertised from 6<sup>th</sup> February, with a closing date of 28<sup>th</sup> February 2014. Interviews are likely to take place in March 2014.

### **Equity Options – Appointment of Managers**

6. As requested by the Committee, a presentation day was arranged on 18<sup>th</sup> February 2014, when four equity managers presented their funds invested in the Developed World. Three have been invited back to present on 19<sup>th</sup> March 2014.
7. As requested by the Committee, a presentation day was arranged on 28<sup>th</sup> February 2014, when five equity managers presented their funds invested in the Emerging Markets. The Committee will consider the matter further on 19 March 2014.

## **Section 3 – Further Information**

8. N/A

## **Section 4 - Financial Implications**

9. Financial implications are discussed in the paper where relevant.

## **Section 5 – Equalities Implications**

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

## Section 6 - Corporate Priorities

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

## Section 7 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 4 March 2014		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 6 March 2014		

## Section 8 - Contact Details / Background Papers

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

**Background Papers:** Nil

## Pension Fund Committee

Update Report and Action Points – 19 March 2014

<b>Issue/decision</b>	<b>Source</b>	<b>Action Taken</b>	<b>Next Steps</b>
<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	Collection of additional information on the legal position, union views, investment manager stance and income /cost impact.	Ongoing.
<u>Governance of the PFIP</u> RESOLVED: That consideration be given to expand the membership of the Pension Fund Investment Committee to include two independent, co-opted members to act in an advisory capacity.	Nov 2012 Minute 186	Independent Adviser role advertised.	Ongoing
<u>Equity Beliefs</u>  (1) The Committee met with four potential, developed world equity managers on 18 <sup>th</sup> February 2014.  (2) The Committee met with five potential emerging markets equity managers on 28 <sup>th</sup> February 2014. A recommendation to the Committee was agreed.	Nov 2013 Min 45	Three of the four managers invited back on 19 <sup>th</sup> March.  The Committee will consider the matter further on 19 <sup>th</sup> March.	Ongoing  Ongoing
<u>Infrastructure and Local Investing</u>  That the report be deferred to a future meeting of the Pension Fund Committee	June 2013 Min 10	N/A	Ongoing
<u>London Pension Fund Collaboration</u>  The Committee be kept informed of the outcome of the consultation on the collaboration models for the London pension funds.	Jun 2013 Min 13	Prepare a report on the outcome.	Report on the agenda
<u>Any other urgent business</u>  The role of Independent Adviser was advertised from 6 <sup>th</sup> February the closing date was 28 <sup>th</sup> February.	Sep 2013 Min 23	Interviews likely to take place in March 2014.	Ongoing

**Meeting Plan 2014**

<b>Quarter 1 19/03/14</b>	<b>Quarter 2 June 2014</b>	<b>Quarter 3 September 2014</b>	<b>Quarter 4 November 2014</b>
<b>Investments</b>			
Equities: Appointment of Managers	Annual Strategy Review (post valuation update) and Rebalancing	Review of Asset Allocation	To be Confirmed (TBC)
	Annual WM presentation		
	Annual review of Statement of Investment Principles	Voting and Company Engagement by Fund managers	
Manager Monitoring	Manager Monitoring	Manager Monitoring	Manager Monitoring
Valuation & performance	Valuation & performance	Valuation & performance	Valuation & performance
<b>Accounting</b>			
	Audit Plan	Annual Accounts and Auditor's Report	.
<b>Committee &amp; Meeting Administration and Governance</b>			
Update Report	Update Report	Update Report	Update Report
Collective Investment Vehicle	Meeting plan 2014-15		TBC
Monitoring of operational controls at Investment Managers			
<b>Training</b>			
	Impact of the 2014 LGPS Regulations	What makes an effective Pensions Committee – a view from another LGPS scheme	TBC

**Pension Fund Committee – Membership and Remit**

	<b>Conservative</b>	<b>Labour</b>	<b>Independent Labour</b>	<b>Ungrouped</b>
	<b>(2)</b>	<b>(2)</b>	<b>(0)</b>	<b>(0)</b>
<b>I. Members</b>	<b>Tony Ferrari Richard Romain (CH) *</b>	<b>Keith Ferry * Sachin Shah</b>		
<b>II. Reserve Members</b>	1. Stephen Wright 2. Kam Chana	1. Bill Phillips 2. Bill Stephenson		

Harrow UNISON Co-optee (Non-voting): Steve Compton  
 GMB Co-optee (Non-voting): Sanjay Karia  
 Co-optee (Non-voting): Howard Bluston

(CH) = Chair  
 \* Denotes Group Members for consultation on Delegated Action and/or administrative matters.

**PENSION FUND COMMITTEE**

The Pension Fund Committee has the following powers and duties:

to exercise on behalf of the Council, all the powers and duties of the Council in relation to its functions as Administering Authority of the LB Harrow Pension Fund (the fund), save for those matters delegated to other Committees of the Council or to an Officer;

the determination of applications under the Local Government Superannuation Regulations and the Teachers' Superannuation Regulations;

to administer all matters concerning the Council's pension investments in accordance with the law and Council policy;

to establish a strategy for the disposition of the pension investment portfolio;  
and

to appoint and determine the investment managers' delegation of powers of management of the fund.