

## **LONDON BOROUGH OF HARROW PENSION FUND APPOINTMENT OF INDEPENDENT ADVISER**

The London Borough of Harrow Pension Fund is seeking an individual with the requisite skills and experience to become an additional adviser to the Fund.

The Fund already receives advice from Council officers, its Investment Adviser, AonHewitt, and an independent adviser. It is seeking someone who either lives in the Borough or who has an affinity to the area who can bring additional skills to bear on the management of the Fund.

### **Local Government Pension Scheme (LGPS) and its management**

The LGPS is a common scheme throughout England and Wales, administered by 89 individual funds (mainly county councils and London borough councils) and, in aggregate, is the largest funded occupational pension scheme in the UK.

It is managed according to local government law and the local democratic process with benefits guaranteed and the financial risks falling on the local authority and its taxpayers

Elected Councillors have legal responsibilities for the prudent and effective stewardship of LGPS funds and a clear fiduciary duty in the performance of their functions. Each administering authority can delegate its Fund investment management to committees and officers.

The successful candidate will be expected to understand these various administrative relationships and the differences between the LGPS and private sector schemes and the role of their trustees.

### **London Borough of Harrow Pension Fund**

The Borough has been administering the Fund since its inception in 1965 and, at 31 March 2013, its assets were valued at £552m The Fund is invested in a wide range of asset classes including UK and Global equities, fixed and index linked bonds, property, private equity and other alternative investments. None of the investments are managed in-house and the Fund currently uses the services of nine investment managers.

The Borough has delegated several of its powers to its Pension Fund Committee.

## **Pension Fund Committee**

The Committee comprises seven members, four of whom are Councillors with full voting rights, two are co-optees from UNISON and GMB unions with no voting rights and the final member is a co-opted adviser again with no voting rights.

The 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.

## **Role specification**

An individual with the requisite skills and experience is sought to support and assist members of the Pensions Committee and, as appropriate, Council officers.

The principal responsibilities of the role are:

- To analyse and comment on developments in the UK and World economies and financial markets and their implications for the Fund
- To provide the Committee with an unbiased and independent perspective on investment issues across the Fund's broad range of asset classes and other asset classes in which the Fund is not invested.
- To provide a perspective on the Fund's strategic asset allocation and the performance of its assets and liabilities
- To review and comment on the quarterly performance reports of the Fund's investment managers and to support the Committee in understanding related issues.
- To provide support in the selection / appointment of investment mandates
- To provide and present written reports on the above and related issues as required.
- To support training initiatives as required.
- To attend all meetings of the Committee which will be expected to meet for about three hours in the evenings on approximately five occasions each year

- To attend up to ten ad hoc meetings per year which occasionally cover a whole day but, more usually, last for a few hours.

### **Required knowledge / personal attributes**

- To be a resident of the London Borough of Harrow and / or to have a particular affinity to the area
- To have experience at a senior level in the investments / pensions industry
- To have a good understanding of the Local Government Pension Scheme
- To have an understanding of the implications for pension schemes of developments in the economy and financial markets
- To have a practical understanding of liability management and the matching of pension liabilities with suitable investments including derivatives
- To have a knowledge of strategies suited to long term investments
- To have an ability to communicate and explain economic and investment concepts simply in both written and verbal form.

### **Desirable knowledge / personal attributes**

- To be comfortable in an environment where challenge but also teamwork is expected.
- To have experience of interacting with Councillors or trustees
- To have an understanding of the public service environment in which the Fund operates
- To have a broad knowledge of the pensions environment and of defined benefits schemes in particular
- To have an awareness of responsible investment issues
- To have an investment-related qualification

### **Conditions of appointment**

The appointment will be for three years with the possibility, at the Fund's discretion, to extend for a further two years. The contract may be terminated by the Fund at any time with three months' notice.

A fee of circa £15-20,000 pa is payable quarterly in arrears. Attendance at meetings in addition to those mentioned above will be compensated on a pro-rata basis.

Subject to reasonable circumstances the successful candidate will be expected to attend all of the Committee meetings which will take place on approximately five occasions during the year and are normally held in the evenings. Additionally he/she will be expected to attend up to ten ad hoc meetings during the year which, occasionally, last for a whole day but, more usually, for a few hours. The total commitment to meetings during the year would therefore be of the order of 7/8 days though it is expected that much more time than this will be spent preparing for meetings and maintaining professional expertise.