

REPORT FOR: Pension Fund Committee

Date of Meeting: 25 November 2015

Subject: Information Report – Meeting of Pension Board on 2 November 2015

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: None

Section 1 – Summary

The report advises the Committee of matters considered by the Pension Board at their meeting on 2 November 2015 and of the most significant matters raised by them.

FOR INFORMATION

Section 2 – Report

1. The Pension Board held its second meeting on 2 November. The agenda they considered is detailed below together with the most significant points raised by them.

Code of Conduct

Concerns were again raised as to the applicability of some parts of the Code to Board Members and the Director of Legal and Governance Services has been asked to carry out a further review.

Annual Report and Financial Statements for the year ended 31 March 2015

The Board indicated that it would wish to review the following matters as appropriate:

- The prospect of the Fund being fully funded within 20 years
- Both successful and less successful aspects of the Fund's performance and position should be clearly shown in the relevant reports
- The Governance Compliance Statement – this will be considered at the next meeting
- The Auditor's comments on the Risk Register
- Internal controls and governance procedures of the Fund's custodians

Investment and Management Expenses

Members of the Board asked a number of detailed questions which were answered at the meeting or subsequent to it. They expressed particular interest in:

- The appointment of advisers to the Pension Fund Committee
- Available benchmarking data

Statement of Investment Principles

Members of the Board asked a number of detailed questions which were answered by officers.

They requested details of the Committee's annual consideration of the Internal Controls "audits" of the fund managers.

Pension Fund Committee – 1 July 2015

Members of the Board particularly noted the improvement in the Fund's relative performance compared to other LGPS funds between 2007-09 and 2010-15 as highlighted in the annual Performance Review carried out by State Street Global Services.

Pension Fund Committee – 8 September 2015

The Board raised a very specific concern which was minuted as follows:

Members expressed concern at the Board's lack of access to exempt reports submitted to the PFC. They were of the view that this would hinder their ability to scrutinise governance arrangements relating to the Fund and queried whether most of the reports submitted to PFC which had been listed as exempt should in fact have been designated as such.

Both these matters are being reviewed.

Benchmarking Exercise and Key Performance Indicators

The Board expressed interest in a number of issues, the most significant of which were:

- How the consolidated information would be used;
- Progress on the Collective Investment Vehicle (CIV)
- Statutory governance standards
- The Committee's consideration of Ethical, Social and Governance issues in their investment strategy
- Framework agreements

The Committee are considering reports on the Benchmarking Exercise and Performance Indicators and several of the specific matters elsewhere on the agenda.

2. The Committee are asked to note this report.

Financial Implications

3. Whilst many of the matters raised by the Board involve financial implications there are none arising directly from the report.

Risk Management Implications

4. The Board took particular note of the comments made by the Auditor in relation to the Fund's risk register.

Equalities implications

5. There are no direct equalities implications arising from this report.

Council Priorities

6. The performance of the Pension Fund has a direct impact on the resources available for the Council's priorities

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Director of Finance

Date: 16 November 2015

Ward Councillors notified:

NO

Section 4 - Contact Details

Contact: Ian Talbot, Treasury and Pension Fund Manager 0208 424 1450

Background Papers - None