

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

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**Date of Meeting:** 7 March 2017

**Subject:** Information Report - Performance Measurement Services

**Responsible Officer:** Dawn Calvert, Director of Finance

**Exempt:** No

**Wards affected:** All

**Enclosures:** Local Authority Pension Performance Initial Indicators Q2 2016  
Local Authority Pension Performance Initial Indicators September Quarter 2016  
Local Authority Pension Performance Initial Indicators December Quarter 2016

### **Section 1 – Summary**

This report advises the Committee of the latest position in respect of the performance measurement services being provided by Pension and Investment Consultants Limited

**FOR INFORMATION**

## **Section 2 – Report**

1. At their meeting on 6 September 2016 the Committee received a report advising them of developments in connection with the provision of performance measurement services for the Fund. They agreed to subscribe to a service provided by Pension and Investment Consultants Limited (PIRC) at a cost of £3,000 in 2016-17 and £4,500 for subsequent years
2. The contract stipulates the services to be provided as:
  - Participation in the Local Authority Universe – fund and portfolio data reviewed, standardised and incorporated in the aggregate
  - Provision of quarterly and annual Universe results and analysis
  - Provision of annual league tables and analysis
  - Provision of Universe research
3. PIRC also offer individual / bespoke consultancy at additional costs
4. The Fund's historic data, received from the previous performance measurement consultant, State Street Global Services has been passed to PIRC for use in their longer term statistical analysis. Current data for periods ending 30 September 2016 and 31 December 2016 has also been provided to them.
5. The PIRC universe now comprises 56 Local Government Pension Scheme funds with a value of £115bn. Whilst this universe is somewhat smaller than the approximately 90 funds in the State Street universe and may be unsuitable for league tables, the performance data is still valuable.
6. In accordance with the contract PIRC have provided their quarterly analysis for the periods ending 30 June, 30 September and 31 December 2016. These are attached to the report. Included in the reports are PIRC's calculation of the quarterly average Local Authority pension fund returns. The returns calculated for the three separate quarters were 5.6%, 6.4% and 3.2% respectively. These returns are broadly in line with the Fund's increase in value of 5.2%, 6.9% and 3.7%.
7. It is recognised that the comparison detailed above is not entirely on a like-for-like basis and work is continuing to seek improvements in the reporting service.

## **Financial Implications**

8. Whilst the performance of the Fund's investments plays an extremely important part in the financial standing of the Pension Fund there are no financial implications arising directly from this report.

## Risk Management Implications

9. The risks arising from investment performance are included in the Pension Fund risk register.

## Equalities implications

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

## Council Priorities

- 11 Investment performance has a direct impact on the financial health of the Pension Fund which directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities

## Section 3 - Statutory Officer Clearance

Name: Dawn Calvert  Chief Financial Officer

Date: 23 February 2017

**Ward Councillors notified:** NO

## Section 4 - Contact Details

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

**Background Papers** – None.