
**REPORT FOR: PENSION FUND
COMMITTEE**

Date of Meeting:	26 June 2019
Subject:	Pension Fund Committee – Performance Dashboard and Update on Regular Items
Responsible Officer:	Dawn Calvert, Director of Finance
Exempt:	No, except for Appendix 4 which is exempt from publication under paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)
Wards affected:	All
Enclosures:	Appendix 1: Investment Dashboard as at 31 March 2019 Appendix 2: Trigger Monitoring Report Appendix 3: PIRC Local Authority Pension Performance Indicators to March 2019 (Exempt) Appendix 4 Manager Monitoring Report - Executive Summary Appendix 5 Fund Value as at 31 March 2019

Section 1 – Summary and Recommendations

This report updates the Committee on regular items as follows:

- Draft work programme on which the Committee's comments and agreement are requested.
- It includes a new investment and management performance dashboard

report summarising key fund performance and risk indicators and trigger monitoring report and PIRC Performance Indicators

- Fund performance to 31st March 2019
- Issues raised by Pension Board.

Recommendation

That, subject to any comments the Committee wish to make, the work programme for the period up to March 2020 be agreed.

Committee are invited to comment on the performance and investment dashboard report and the preferred format and presentation for future reports.

Section 2 – Report

A. Introduction

1. This report updates the Committee on regular items as follows:
 - Draft work programme for 2019-20 (Sub-section B)
 - Investment and Manager Performance Dashboard (Sub-section C) and Appendix 1-4
 - Fund Performance and actions for periods ended 31 March 2019 (Sub-section D) and Appendix 5)
 - Issues raised by Pension Board (Sub-section E)

B Draft Work Programme 2019-20

11 September 2019

Update on regular items:

- work programme for 2019-20
- Performance Dashboard as at 30 June 2019
- Issues raised by Pension Board
- Emerging Risks

Pooling and London Collective Investment Vehicle Update

Actuarial Valuation 2019 Update report

Audited Annual Report and Financial Statements 2018-19

Strategic Investment Review Update

Environmental, social and governance Issues

Training session at 5.30 – tbc

September/October 2019 – “Meet the Managers”

26 November 2019

Update on regular items:

- work programme for 2019-20
- Performance Dashboard as at 30 September 2019
- Issues raised by Pension Board

- Emerging Risks
- Pooling and London Collective Investment Vehicle Update
 Strategic Investment Review Update
 Environmental, social and governance Issues
 Training session at 5.30 – tbc

25 March 2020

Update on regular items:

- Draft work programme for 2020-21
- Performance Dashboard 31 December 2019
- Issues raised by Pension Board
- Emerging risks

Actuarial Valuation 2019 Final Report
 Pooling and London Collective Investment Vehicle
 Monitoring of operational controls at managers
 External Audit plan 2020-21
 Training programme 2021-22
 Quarterly trigger monitoring
 Environmental, social and governance Issues
 Training session at 5.30 – tbc

2. The Committee will have the opportunity to update this programme at every meeting but are invited to comment on the draft above and agree it at this stage.
3. In addition to the Committee's work programme training opportunities will be offered for an hour prior to each meeting.

C Summary Performance Dashboard for Period Ended 31 March 2019

4. Attached as Appendix 1 is a summary investment performance dashboard which is a new performance report developed by Aon following consultation with officers, the previous Chair of Pension Fund Committee and the independent advisers. It is designed to provide summary reporting and to streamline the performance reports presented to committee.
5. The investment dashboard shows the Pension Funds estimated Investment Funding Level of 77.2% as at 31 March 2019 and the fund assets (£851m) and liabilities (£1,102m).. The funding level increased over the quarter whilst long term bond yields remain at low levels. No de-risking actions are recommended at the current time. See Appendix 2 Trigger Monitoring Report.
6. The Fund subscribes to the performance data service provided by Pension and Investment Consultants Limited (PIRC) The PIRC performance report is attached as Appendix 3 to this report. The dashboard summarises quarter, year and 3 year performance all of which are below the fund benchmark.

7. The Dashboard includes a summary of asset allocation relative to the strategic benchmark .It also show the current allocation made to the London CIV (37.9%). and a summary of manager performance and manager rating.
8. Appendix 4 Executive Manager Monitoring Report Executive Summary reports on managers who have received the Aon qualified or in review rating. This is summarised on the dashboard 'Manager in Focus' section.

D Fund Performance and Valuation for Period Ended 31 March 2019

9. Appendix 5 sets out the fund market value from 1st January 2019 to 31 March 2019. The value of the Fund at the 31st March 2019 had increased over the year to £851m (£816m as at 31 March 2018) in spite of a poor third quarter when the fund market value had fallen to £800m by 31 December 2018 but recovered in the fourth quarter. The Fund Value to 30 April is also shown (£861m)
10. On 30 April 2019, the Fund divested in full from Aberdeen Standard Investments (£95.7m and invested £95m in the London CIV Multi Asset Credit Fund, as agreed by Committee on 12th March 2019.

E Meetings of Pension Board

11. Pension Board met on 29 March 2019 and received confirmation that there had been no reported breaches of law in the previous quarter. They received reports on fund administration performance to 31 December 2018

Legal Implications

- 12 The Pension Fund Committees' Terms of Reference sets out the Committee's power and duties which include:

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

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

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

Financial Implications

13. There are several matters mentioned in this report, particularly asset allocation and manager performance which has significant financial

implications but there are no direct financial implications arising from it as its main purpose is to provide an update on regular items.

Risk Management Implications

14. The Pension Fund has a risk register which includes all the risks identified which could affect the management of the Pension Fund. There are no new emerging risks to report

Equalities implications / Public Sector Equality Duty

15. Was an Equality Impact Assessment carried out? No. There are no direct equalities implications arising from this report.

Council Priorities

16. The financial health of the Pension Fund directly affects the level of employer contribution which, in turn, affects the resources available for the Council's priorities there are no impacts arising directly from this report.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Chief Financial Officer

Date: 13 June 2019

Name: Dawn Calvert



on behalf of the
Corporate Director

Date: 13 June 2019

Ward Councillors notified:

NO

Section 4 - Contact Details and Background Papers

Contact: Iain Millar, Treasury and Pensions Manager
0208 424 1432

Background Papers: None