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## **REPORT FOR: PENSION FUND COMMITTEE**

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<b>Date of Meeting:</b>	18 December 2019
<b>Subject:</b>	Competition and Markets Authority Order : Setting Investment Consultant Objectives
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance
<b>Exempt:</b>	No
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1: Aon Report: CMA Order - Setting Investment Consultant Objectives

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

The Committee are asked to consider the proposed objectives for the investment consultant to comply with the Competition and Markets Authority Order.

**Recommendations:**

The Committee is requested to note the report.

#### **Background**

1. At the end of 2018 the Competition and Markets Authority, (“CMA”) reported on its review of the investment consultant and fiduciary management markets. Following this review, CMA issued an Order which requires Pension Fund Trustees, (including the Local Government Pension Scheme):

- to set objectives for their investment consultants closely linked to the pension scheme's strategic objectives.
  - the objectives to be reviewed at least every three years and after a significant change to the investment strategy.
  - the performance of the investment consultant should be reviewed annually.
2. The CMA Order took effect from 10 December 2019. The intention was for the objectives to be presented to Pension Fund Committee on 26 November 2019 before that meeting was postponed to 18 December 2019.
  3. Pension Fund Committee appointed an investment consultant, Aon, to advise Harrow Pension Fund and Harrow Pensions Committee and Board on all matters concerning the Pension Fund's investments. The Committee has also appointed independent advisers.
  4. Aon provide regulated investment consultancy services. The role of the independent advisers is to provide an independent perspective and to use their expert knowledge to inform the debate on the issues in front of the Committee.
  5. The Committee are asked to consider the proposed objectives and review framework to comply with the Competition and Markets Authority Order' as set out in the Aon report in Appendix 1 and to comment as they see fit.
  6. The Pension Scheme investments are managed in accordance with the Local Government Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and related statutory guidance on investments and asset pooling According to Part 3A of the Council's Constitution, Terms of Reference the Pension Fund Committee is under a duty to administer all matters concerning the Council's Pension investments in accordance with the law and Council Policy.

## **Financial Implications**

7. There are clearly significant financial implications arising from the appointment of professional advisers to the Committee and the advice they give. All investment consultancy related costs are charged to the Pension Fund.

## **Risk Management Implications**

8. The Pension Fund has its own risk register which includes risks arising from the investment strategy.

## **Equalities implications / Public Sector Equality Duty**

Was an Equality Impact Assessment carried out? No

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

## Council Priorities

10. Whilst the financial health of the Pension Fund 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: 5 December 2019

Name: Dawn Calvert



On behalf of  
Corporate Director

Date: 5 December 2019

## Section 4 - Contact Details and Background Papers

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

**Background Papers:** None