

Report for: Pension Board

Date of Meeting:	4 March 2021
Subject:	Review of Pension Fund Committee Items
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1 – Pension Fund Valuation at 31 December 2020

Section 1 – Summary and Recommendations

This report summarises the matters to be considered by the Pension Fund Committee at its next the meeting on 24 March 2021 and invites the Board to agree any comments they might wish to make to the Pension Fund Committee.

Recommendations:

The Board is requested to note the report and comment as necessary.

Section 2 – Report

1. The list of items to be considered by the Pension Fund Committee at its meeting on 24 March 2021 is summarised in the table below.

Report	Comments
Part I	
Pension Fund Communications Policy	To review / update the policy. The draft is included elsewhere on this agenda to enable the Board's comments to be forwarded to the Committee.
Pension Fund Governance Compliance	To review / update the statement. The draft is included elsewhere on this

Statement	agenda to enable the Board's comments to be forwarded to the Committee.
Pensions Administration System Procurement	To set out arrangements for addressing the expiry of the existing contract in October 2021. (this may need to be in part II)
Performance Dashboard and Update on Regular items	The report will summarise the position of the Fund at the end of Q4 2020 (31 December 2020) and set out a proposed work programme for the Committee for the 2021-22 municipal year. The Fund's valuation at 31 December 2020 is attached at appendix 1.
Update on London CIV and Investment Pooling arrangements	To update the Committee on the position in regard to pooling.
Training Programme 2021-22	To draw up a suitable programme
Part II	
Investment Strategy Review	A confidential report by the Director of Finance and Assurance on the next stages of the Investment Strategy Review, including a number of recommended actions to progress the Review.

2. A training session, commencing at 5.30pm, will be held immediately before the Committee's meeting on 24th March 2021. Record Currency Management will give a presentation on the way in which they carry out the currency hedging arrangements for the Fund's equity portfolio.
3. The timing of this meeting of the Board means that it takes place before the Committee's meeting. This is helpful, as it will enable the Committee to take into account the Board's views on the policy items which are to be reviewed by the Committee.
4. The Fund's valuation at 31 December 2020 was £960.3m, as detailed in Appendix 1. All asset classes made gains in both November and December – the two main factors in this were the approval / licensing of vaccines against Covid-19, and the US election result, both of which were viewed positively by the markets. The Funding level had improved to 95%.
5. At its November meeting, the Pension Fund Committee approved the Redemption of the Fund's equity investments with Oldfield Partners, and the Investment of the proceeds in the London CIV Sustainable Equity Fund – at the time of writing this report, the transition is currently in progress, and will be completed by 25 February 2021. Following

discussions with the Fund's Investment Consultants, Aon , it was made in three tranches.

6. The Fund has committed to investing £68million in the London CIV's Infrastructure Fund. There were 4 drawdowns of funds – 2 each in December and January. At the end of January 2021, the balance invested was £16.4m – this is almost 25% of our commitment of £68m to this asset class. These investments have been funded by withdrawals from the Blackrock cash fund.
7. For Board members' information, the dates set for meetings of the Pension Fund Committee in the 2021-22 municipal year are as follows:
 - Thursday 24th June 2021
 - Monday 13th September 2021
 - Wednesday 24th November 2021
 - Wednesday 9th March 2022

All of these meetings are currently scheduled to start at 6.30pm. It is currently intended that a training session will be held, before each Pension Fund Committee meeting, beginning at beginning at 5.30pm. All Board members are welcome to attend both the training sessions and the meetings. The meetings will continue to be held via Microsoft Teams until it is possible to meet in person again.

Legal Implications

8. There are no direct legal implications arising from this report.

Financial Implications

9. Whilst the performance and effective controls of the fund managers is of paramount importance in the performance of the Pension Fund, there are no financial implications arising from this report.

Risk Management Implications

10. There are no specific risk management implications arising from this report. The Pension Fund's Risk Register is reviewed regularly by both the Pension Fund Committee and by the Board.

Equalities implications / Public Sector Equality Duty

11. Was an Equality Impact Assessment carried out? No

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

Council Priorities

13. The performance of the Pension Fund 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

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 09/02/2021

Statutory Officer: David Hodge

Signed on behalf of the Monitoring Officer

Date: 10/02/2021

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 09/02/2021

Mandatory Checks

Ward Councillors notified: NO

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Background Papers: None