

| Report for: | Pension Fund Committee |
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| Date of Meeting: | 24 November 2021 |
| Subject: | Appointment of Independent Advisors |
| Responsible Officer: | Dawn Calvert – Director of Finance and Assurance |
| Exempt: | No  |
| Wards affected: | Not applicable |
| Enclosures: | Appendix 1 – Independent Advisor Role Profile  |

| Section 1 – Summary and Recommendations |
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| This report sets out the proposed arrangements to carry out a procurement for Independent Advisors, as the current contracts are due to expire on 31 March 2022. Recommendations: The Committee is recommended to 1. Approve the job description for the advisors as set out in Appendix 1, and the remuneration of £15,000 per annum per advisor
2. Confirm that it wishes to continue to have two Independent Advisors
3. Delegate authority to the Director of Finance and Assurance to carry out a recruitment process for the appointments as set out in paragraphs 6 and 7 of this report and make recommendations on the appointment to the Committee’s next meeting in March 2022.
4. Agree which members will be involved in the interview process.
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## Section 2 – Report

## **Introduction and Role of Investment Advisors**

1. The LGPS (Management and Investment of Funds) Regulations 2016 require that in setting its Investment Strategy Statement (ISS), the Committee must take proper advice from suitable qualified practitioners. This advice is provided by the Fund’s Investment Consultants, Aon, and the Actuary, Hymans Robertson.
2. In addition, in common with many LGPS Funds, Harrow has had two independent advisers in place since 2014, as well as a non-voting Co-opted Committee member with no formal advisory or representative duties attached to the role.
3. The current independent advisers, Mr Colin Robertson and Hon. Alderman Richard Romain, were appointed on a three year contract with a two year extension clause – this was taken up to extend the contract to 2019. The Committee considered a report in March 2019 and had planned to undertake a procurement exercise during 2019-20. However, workload pressures and staffing vacancies, exacerbated by the Covid-19 pandemic, delayed the procurement. In 2020 a waiver was obtained to extend the existing advisors’ contracts until 31 March 2022. This was done to provide the time to carry out a procurement after the Committee had prioritised the more immediate need to review and update the Investment Strategy and other matters which had not progressed due to a combination of the Covid-19 pandemic and key staffing vacancies which occurred at the same time.
4. Attached at Appendix 1 is the current role description which the Committee approved at its meeting in March 2019 and reviewed in September 2020. The current annual remuneration is £15,000 for each adviser. The role was previously advertised locally to seek a suitably qualified person with local connections. It is proposed that the same approach is followed on this occasion.
5. The Committee is asked to consider and confirm its current requirements for independent advisor.

**Procurement Process**

1. Once the Committee have agreed its requirements, the role will be advertised. It is proposed that the Director of Finance and Assurance be given authority, after consultation with the Chair of the Committee, to prepare a short list of applicants. The shortlisted candidates will be interviewed by a panel comprising the Director of Finance and Assurance plus two Committee members (reflecting / maintaining the political proportionality of the Committee). Following interviews, the Director of Finance and Assurance, after consultation with the two interview panel members, will make a recommendation to the Committee’s next meeting, in March 2022.
2. To facilitate this, it is suggested that the Committee agree which members will carry out the selection interviews.
3. On appointment a consultancy agreement will be drawn up with the appointed adviser setting out the terms and remuneration. The contract will run for three years with an option to extend for up to a further two years.

## Legal Implications

1. As indicated above, the Fund is required to seek appropriate advice to comply with the LGPS (Management and Investment of Funds) Regulations 2016.

## Financial Implications

1. If two advisors are appointed, the annual cost will be £30,000 (£15,000 per annum for each advisor). The cost is in line with the current budget and will be met entirely from the Pension Fund.

## Risk Management Implications

1. The Pension Fund’s Risk Register is reviewed regularly by both this Committee and by the Pension Board. The latest review was carried out at the 24th June meeting of the Committee.
2. There are no specific risk management implications arising from this report. The level of risk to which its investments are exposed is a key component in developing the Fund’s investment strategy, and the independent advice supports the Committee in monitoring this risk.

## Equalities implications / Public Sector Equality Duty

1. Was an Equality Impact Assessment carried out? No

There are no direct equalities implications arising from this report.

## Council Priorities

1. 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: 15/11/2021**

**Statutory Officer: Caroline Eccles**

Signed on behalf of the Monitoring Officer

**Date: 15/11/2021**

**Chief Officer: Dawn Calvert**

Signed on behalf of the Corporate Director

**Date: 15/11/2021**

## Mandatory Checks

### Ward Councillors notified: Not applicable

## Section 4 - Contact Details and Background Papers

**Contact:** Jeremy Randall – Interim Pensions Manager

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**Background Papers**: None