

LONDON BOROUGH OF HARROW PENSION FUND APPOINTMENT OF INDEPENDENT ADVISER

The London Borough of Harrow Pension Fund is seeking an individual with the requisite skills and experience to become an additional adviser to the Fund.

The Fund receives advice from Council officers, its Investment Adviser, Aon, and two independent advisers. It is seeking someone who either lives in the Borough or who has an affinity to the area who can bring equivalent skills to bear on the management of the Fund.

Local Government Pension Scheme (LGPS) and its management

The LGPS is a common scheme throughout England and Wales, administered by 89 individual funds (mainly county councils and London borough councils) and, in aggregate, is the largest funded occupational pension scheme in the UK.

It is managed according to local government law and the local democratic process with benefits guaranteed and the financial risks falling on the local authority and its taxpayers

Elected Councillors have legal responsibilities for the prudent and effective stewardship of LGPS funds and a clear fiduciary duty in the performance of their functions. Each administering authority can delegate its Fund investment management to committees and officers.

The successful candidate will be expected to understand these various administrative relationships and the differences between the LGPS and private sector schemes and the role of their trustees.

London Borough of Harrow Pension Fund

The Borough has been administering the Fund since its inception in 1965 and, at 30 September 2021, its assets were valued at £1,019m The Fund is invested in a wide range of asset classes including active and passive Global equities, corporate bonds and index linked gilts, property, private equity and other alternative investments. None of the investments are managed in-house. The Fund currently uses the services of a number of investment managers. Over 60% of Fund assets are now invested through pooled funds in the London CIV.

The Council has delegated several of its powers to its Pension Fund Committee.

Pension Fund Committee

The Committee comprises seven members, four of whom are Councillors with full voting rights, two are co-optees from UNISON and GMB unions with no voting rights and the final member is a co-opted member, again with no voting rights.

The Committee has the following powers and duties:

- To exercise on behalf of the Council, all the powers and duties of the Council in relation to its functions as Administering Authority of the LB Harrow Pension Fund (the Fund), save for those matters delegated to other Committees of the Council or to an Officer;
- The determination of applications under the Local Government Superannuation Regulations and the Teachers' Superannuation Regulations;
- To administer all matters concerning the Council's pension investments in accordance with the law and Council policy;
- To establish a strategy for the disposition of the pension investment portfolio; and
- To appoint and determine the investment managers' delegation of powers of management of the Fund.
- to determine cases that satisfy the Early Retirement provision under Regulation 26 of the Local Government Pension Scheme Regulations 1997 (as amended), and to exercise discretion under Regulations 8 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended, subject to the conditions now agreed in respect of all staff, excluding Chief Officers;
- to apply the arrangements set out above to Chief Officers where the application has been recommended by the Chief Executive, either on the grounds of redundancy, or in the interests of the efficiency of the service, and where the application was instigated by the Chief Executive in consultation with the leaders of the political groups.

Role specification

Individuals with the requisite skills and experience are sought to support and assist members of the Pensions Committee and, as appropriate, Council officers.

The principal responsibilities of the role are:

- To analyse and comment on developments in the UK and World economies and financial markets and their implications for the Fund
- To provide the Committee with an unbiased and independent perspective on investment issues across the Fund's broad range of asset classes and other asset classes in which the Fund is not invested.

- To provide a perspective on the Fund's strategic asset allocation and the performance of its assets and liabilities
- To review and comment on the quarterly performance reports of the Fund's investment managers and to support the Committee in understanding related issues.
- To provide support in the selection / appointment of investment mandates
- To provide and present written reports on the above and related issues as required.
- To support training initiatives as required.
- To attend all meetings of the Committee which will be expected to meet for about three hours in the evenings on approximately five occasions each year
- To attend up to ten ad hoc meetings per year which occasionally cover a whole day but, more usually, last for a few hours.

Required knowledge / personal attributes

- To be a resident of the London Borough of Harrow and / or to have a particular affinity to the area
- To have experience at a senior level in the investments / pensions industry
- To have a good understanding of the Local Government Pension Scheme
- To have an understanding of the implications for pension schemes of developments in the economy and financial markets
- To have a practical understanding of liability management and the matching of pension liabilities with suitable investments including derivatives
- To have a knowledge of strategies suited to long term investments
- To have an ability to communicate and explain economic and investment concepts simply in both written and verbal form.

Desirable knowledge / personal attributes

- To be comfortable in an environment where challenge but also teamwork is expected.
- To have experience of interacting with Councillors or trustees
- To have an understanding of the public service environment in which the Fund operates
- To have a broad knowledge of the pensions environment and of defined benefits schemes in particular
- To have an awareness of responsible investment issues
- To have an investment-related qualification

Conditions of appointment

The appointment will be for three years with the possibility, at the Fund's discretion, to extend for a further two years. The contract may be terminated by the Fund at any time with three months' notice.

A fee of £15,000 pa is payable quarterly in arrears. Attendance at meetings in addition to those mentioned above will be compensated on a pro-rata basis.