

<b>Pension Investment Committee</b>			
<b>REPORT TITLE</b>	<b>Pension Investment Committee Pensions update</b>		
<b>KEY DECISION</b>	No	<b>Item No:</b>	7
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Head of Corporate Resources		
<b>CLASS</b>	Part 1	<b>Date:</b>	17 November 2015

## **1. PURPOSE**

- 1.1. This paper provides members with an update on Pension related matters in the last period.

## **2. RECOMMENDATIONS**

- 2.1. Members are asked to note this report.

## **3. BACKGROUND**

- 3.1. This briefing will provide a summary of current topics and follows up on action requested in previous meetings.

## **4. CURRENT CONSIDERATIONS**

### **Pension Board**

- 4.1. The first local pension board met on the 23<sup>rd</sup> July 2015. Officers are arranging the second meeting for members to update on their training and establish a work plan for 2016.

### **Actions arising from previous Pension Investment Committee:**

- 4.3 All are covered by items on the agenda for this meeting and will be addressed there.

### **Collective Investment Vehicle (CIV)**

- 4.4 The Joint Committee continue to meet, with the Chair of PIC attending. The CIV have invoiced the annual service charge of £25,000 per member which Lewisham has paid for 2015/16. The

- 4.5 The CIV received regulatory approval in October and is therefore now collecting the agreed regulatory capital from members. As agreed at the September meeting, for Lewisham this is £150,000.
- 4.6 Prospectus for transitioning funds from individual local authority mandates to pooled funds in the CIV are expected shortly. These have not been received to date so no emergency meeting of PIC has needed to be called. When the prospectus is received officers with the support of their advisors, Hymans, will conduct the necessary due diligence and bring forward recommendations to members. Convening a special meeting if necessary to meet any associated deadlines.

#### **Procurement of multi asset mandate**

- 4.7 Following the decision of the September PIC officers have terminated the commodities mandate and initiated the procurement of a multi asset mandate in replacement. An update on progress with this procurement forms part of the confidential agenda item for this meeting.

#### **Triennial fund valuation in 2016**

- 4.8 The fund will be valued by our actuaries at the 31 March 2016. As part of the preparations for this it is proposed to include a briefing on the next PIC agenda to address this. This will explain the principles, assumptions, mechanics and outputs from the valuation.

#### **Government policy changes**

- 4.9 In the summer budget and again in the Chancellors party conference speech the move to six regional Local Government Pension Scheme funds, away from the current 89 administering authorities, was mentioned. Further details and related consultations are expected through the Autumn and into 2016 following the Comprehensive Spending Review. This will likely address the structure and governance for these funds and also their priorities, with the concept of operating more along the lines of a sovereign wealth fund with a focus on funding infrastructure projects to be decided. Officers will continue to monitor these proposals closely and keep members updated.

#### **Team changes and training**

- 4.10 As members will be aware the previous pensions manager left Lewisham at the end of September. This post is being recruited to on a replacement basis.
- 4.11 Members training continues to be an important part of the annual PIC programme. As requested there is a members session being hosted by M&G on the 25 September at their offices. And as noted above there will be some training on the triennial fund valuation at the next

meeting. Should members have identified other training they would like to attend please can they keep the governance team or David Austin informed.

## **5. LEGAL IMPLICATIONS**

5.1. There are no legal implications arising directly from this report.

## **6. FINANCIAL IMPLICATIONS**

6.1. There are no financial implications arising directly from this report.

## **7. CRIME AND DISORDER IMPLICATIONS**

7.1. There are no crime and disorder implications directly arising from this report.

## **8. EQUALITIES IMPLICATIONS**

8.1. The Equality Act 2010 became law in October 2010. The Act aims to streamline all previous anti-discrimination laws within a Single Act. The new public sector Equality Duty, which is part of the Equality Act 2010, came into effect on the 5 April 2011.

8.2. The Council's Comprehensive Equality Scheme for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010. No direct equalities implications have been identified, in terms of adverse impact, with respect to the Council's obligations under the Equality Act 2010.

## **9. ENVIRONMENTAL IMPLICATIONS**

9.1. There are no environmental implications directly arising from this report.

## **10. BACKGROUND DOCUMENTS**

10.1. None

For further information on this report please contact:

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