

Pension Investment Committee			
REPORT TITLE	Pension Investment Committee Pensions update		
KEY DECISION	No	Item No:	
WARD	N/A		
CONTRIBUTORS	Head of Corporate Resources		
CLASS	Part 1	Date:	2 September 2015

1. PURPOSE

- 1.1. This paper provides members with an update on Pension related matters and action points raised in the previous meetings.

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 23rd July 2015. The board is made up of four representatives:
- Elizabeth Sclater, a Lewisham pensioner (Employee representative)
 - Tony Smith a Union representative from GMB (Employee Representative)
 - Alex Bush, a Lewisham Homes representative (Employer Representative)
 - Andreas Ghosh, a Lewisham Council representative (Employer Representative) sent his apologies.
- 4.2. At present there is no Chairperson of the local pension board. Officers have been instructed to advertise for the position. The board went through the terms of reference and other policy documents. The board

decided that training will be their priority. The board have agreed to meet three to four times a year. The next meeting is due to occur in late September, early October.

Actions arising from previous Pension Investment Committee:

London Living wage report

- 4.3 In the February 2015 meeting, during BlackRock's presentation, a question was asked with regards to the living wage index and a request was made for a report on the impact of the London living wage across the pension fund. The preparation of this report has been considered by officers and there is no obvious way to assess the impact of a living wage across the pension fund. The fund is invested across a range of assets on a global basis such that the variables to be considered are too many and too remote from the information available to be able to do this. For this reason this action cannot be progressed.

Offsite visit to Fund Managers

- 4.4 Members showed interest in attending the offices of the fund managers as part of their training development. It has now been agreed with M&G and BlackRock that site visits will take place on 25th November 2015 at 11 am, and 21st January 2016 at 12 pm respectively. Members are asked to confirm with officers whether they are able to attend these dates so that the firms can be advised on numbers.

Smart Beta proposals

- 4.5 Members have discussed moving a portion of the passive funds into Smart Beta. It had been requested that a report be presented to this PIC with a proposal for consideration. However, as discussed at the last meeting and in consultation with the Chair, this request has been put on hold pending members' consideration of options for the Credit Financing and Commodities mandates, the commitment to transition passive mandate(s) to the London CIV, and the results of the tri-ennial valuation in 2016 when the investment strategy will be revisited.

Training

- 4.6 Members were asked to complete a skills and knowledge audit at the last meeting. A schedule of current training opportunities over the next three months is provided in appendix one. A full list of training available for the year ahead is provided in the Pension Fund 2015-16 business plan.

5. LEGAL IMPLICATIONS

- 5.1. Legal Implications to follow.

6. FINANCIAL IMPLICATIONS

- 6.1. There are no financial implications arising 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

APPENDICES:

Appendix one: Upcoming PIC related training as at Sept 15

For further information on this report please contact:

David Austin, Head of Corporate Resources on 020 8314 9114 or at david.austin@lewisham.gov.uk

or

Adeola Odeneye, Treasury and Pension Manager on 020 8314 6147 or at adeola.odeneye@lewisham.gov.uk