

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:	February 2017

Lateness: This report was not available for the original dispatch because officers needed additional time to complete their work.

Urgency: The report is urgent and cannot wait until the next meeting to enable the Pensions Investment Committee to effectively plan their work for the next period.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

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 Pension Board has not met in the last quarter.

Actions arising from previous Pension Investment Committee:

- 4.3 An appointment has been made to the pension fund manager post. They start on the 16 February and will be attending future committees.

Collective Investment Vehicle (CIV)

- 4.4 The Joint Committee continue to meet, with the Chair of PIC attending. In addition, training is being arranged for the 3 March 2017.
- 4.5 As previously noted, none of the funds transitioned to the CIV to date have been ones Lewisham are invested in. The most likely next step will be the shift of the passive fund structures, at least for the equities elements, from life funds to ones that are permissible to be managed by the CIV as an ACS.
- 4.6 Following the withdrawal by State Street of their LGPS benchmarking offering, the CIV are considering procuring a replacement service for themselves and members to help maintain effective performance monitoring across the sector. Lewisham have also registered with PIRC to join the replacement service being set up on behalf of LAPFF to ensure access to this comparative information is not lost.

Triennial fund valuation in 2016

- 4.7 The agreement of the Funding Strategy Statement, a subject of a separate report at this Committee, will conclude the valuations work. The focus moves onto the investment strategy and rebalancing the Fund in line with this (also discussed separately on this agenda).

Government policy changes

- 4.8 No specific changes. The government continues to progress proposals for LGPS investment activities to merge into six regional funds and adopt certain sovereign wealth fund characteristics. The London CIV was reviewed by the Department and a letter sent by the Secretary of State noting the good work done and encouraging an acceleration of the pooling on mandates through 2017.

Training

- 4.9 Officers continue to recommend the excellent training tools available via the Pensions Regulator at:
<http://www.thepensionsregulator.gov.uk/public-service-schemes/learn-about-managing-public-service-schemes.aspx>. In addition, as members have feedback that this was also a helpful resource, copies (or links) to the Russell's Fiduciary Handbook are available.
- 4.10 In the last quarter officers have also highlighted training events that have come up with free spaces, in particular the SPS events. A more detailed list of upcoming events will be circulated at the meeting.

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

Other matters

- 4.12 None to note

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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