



Pension Fund Sub-Committee
29 June 2010

**Report from the Director of
Finance and Corporate Resources**

Wards affected:
ALL

**Business and training plans for 2010/11, and business plans to
2011/13**

1. SUMMARY

The plans outline the planned activities of the Pension Fund Sub Committee for the year to February 2011, and the three years to February 2013.

2. RECOMMENDATIONS

Members are asked to comment on and agree the plans, and raise any training issues that require further consideration.

3 DETAIL

Background

- 3.1 The Myners Report on UK Institutional Investment recommended that trustees prepare a forward-looking business plan. The Sub Committee has prepared a detailed annual plan since 1999. It is suggested that a three year strategic plan will enable long-term issues, such as asset allocation reviews and the Actuarial Valuation, to be included. The review of progress with implementing the Myners' report identified that trustee learning and development was a priority, and that the Chair of the Board of Trustees had a role in ensuring that trustees were fully trained.
- 3.2 Members discussed learning and development at their meeting on 3rd March 2009. It was agreed that there would be a combination of occasional afternoon two hour seminars, additional training sessions to be held in the evening and the inclusion of a designated training item on the agenda of sub committee meetings. To date there have been items on the Actuarial Valuation, Fixed Interest investment and Investment Management fees, but the session on property investment was delayed by the change in management to Aviva, and the session on Infrastructure has not yet been arranged. A separate paper on member and officer skills is also on the agenda.

Business Plan 2009/10

- 3.3 The Business Plan for 2009/10 has been delivered with the exception of the review of investment regulations by the Department for Communities and Local Government (DCLG), which is covered elsewhere in the agenda. There have not been any issues on pension fund administration. Additional items of business covered by the Sub Committee included consideration of the Fixed Interest mandate benchmark and European Withholding taxes.

Business Plan 2010/11

- 3.4 The Business Plan covers both regular and other reports / work areas that are anticipated during the year. The programme will be amended frequently in the light of new developments. The Plan is as follows:-

| Periodic Reports | |
|--|----------------|
| Quarterly Monitoring Report on Managers' Activities, Performance and Future Strategy. | Each quarter |
| Annual Performance for the Fund – WM visit | September |
| Annual Report and Accounts | June/ Sept. |
| Review of the Statement of Investment Principles | February |
| Issues | |
| Member and officer skills | June |
| Asset Allocation for the Fund – consideration of progress and options, including managers | November |
| Review of Additional Voluntary Contribution arrangements | February |
| Issues related to the Actuarial Valuation – including revised Funding Strategy Statement | February |
| Administrative issues relating to the Fund | As they arise |
| Revised regulations issued by the Department for Communities and Local Government | As they arise |
| Training | |
| Induction training and regular briefings through emails and letters – Head of Investment | <i>Ongoing</i> |
| Conferences and seminars organised by the National Association of Pension Fund, WM and LGC. These are important for basic training and to develop understanding of new investment opportunities. | As they arise |
| Issues related to the actuarial valuation | September |
| Property investment – seminar with Aviva | November |
| Infrastructure investment | February |
| Individual training items | Ongoing |

Regular quarterly items

Report on investment activity for the whole fund.

Managers' reports. AllianceBernstein Institutional Investment Management (AB), Henderson Global Investors and the Brent In-house manager will issue reports for each meeting. AB and Henderson will usually alternate at sub committee meetings, allowing other managers to attend on an annual basis. Managers will be asked to restrict presentations to 20 minutes, with 20 minutes for members' questions. This will leave time for other business and training items. The Head of Exchequer and Investment and the Independent Adviser will meet with all managers on a regular basis to enable them to answer questions arising if the manager is not present.

Business Plan 2010/13

- 3.5 The first year of the plan will be as set out in paragraph 3.4 above. For the other two years, the periodic reports will continue. However, other issues should also be considered, as follows:-

2011/12

Consideration of new investment opportunities
Asset Allocation review
Review of the actuary

2012/13

Implementation of asset allocation review
Review of the Independent Adviser

- 3.6 It is anticipated that other issues will arise over the three-year period. The plan will give a framework to ensure that long-term issues are considered.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications arising directly from the plans.

5 DIVERSITY IMPLICATIONS

- 5.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

6 STAFFING IMPLICATIONS

- 6.1 None

7 LEGAL IMPLICATIONS

- 7.1 There are no legal implications arising from the plans.

8 BACKGROUND

- 8.1 Previous work programmes for the Sub-Committee.

9. CONTACT OFFICERS

- 9.1 Persons wishing to discuss the above should contact the Exchequer and Investment Section, Brent Financial Services, on 020 8937 1472/74 at Brent Town Hall.

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