



Pension Fund Sub Committee
26 June 2012

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

Wards Affected:
ALL

**Business and Training Plans for 2012/13, and Business Plans to
2014/15**

1. Summary

The plans outline the planned activities of the Pension Fund Sub Committee for the year to February 2013, and the three years to February 2015.

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. Also, 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 knowledge and skills at their meeting on 28th February 2012. Along with other suggestions, 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 training sessions on the private equity, actuarial valuation, asset allocation, fixed interest investment, emerging market equities and overseas equities.

Business Plan 2011/112

- 3.3 The Business Plan for 2009/10 has been delivered with the exception of the reviews of Additional Voluntary Contribution, which has been put back to 2012/13, and the Statement of Investment Principles, which has been included on this agenda.

Additional items of business covered by the Sub Committee included the new contract for pension fund administration services with Capita Hartshead, investment in a Clean Energy and Investment Fund by Capital Dynamics, and proposals to appoint a Diversified Growth Fund manager and revise fixed interest exposure arising from the asset allocation review.

Business Plan 2012/13

- 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	June / Feb.
Issues	
Member and officer skills	Ongoing
Asset Allocation for the Fund – progress with the appointment of a Diversified Growth Fund manager and other issues	June
Review of Additional Voluntary Contribution arrangements	November
Review of the Independent Adviser	February
Revised regulations issued by the Department for Communities and Local Government	As they arise
Administrative issues relating to the Fund	As they arise
Actuarial valuation 2013 – Issues for consideration – The actuary	February
Training	
Induction training and regular briefings through emails and letters – Head of Investment	<i>Ongoing</i>
Conferences and seminars, which are important for basic training and understanding of new investment opportunities.	As they arise
Training sessions led by managers	Each quarter
Performance measurement and investment in hedge funds, property and infrastructure	
Individual training items	Ongoing

Regular quarterly items

Report on investment activity for the whole fund.

Managers' reports. Legal & General Investment Management (LGIM), Fauchier Partners, Henderson Global Investors, and Dimensional Asset Management will issue reports for each meeting. Henderson will alternate at sub committee meetings, allowing other managers to attend on an annual basis. Managers will be asked to restrict presentations to 15/20 minutes, with 15/20 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 2012/15

- 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:-

2013/14

Consideration of new investment opportunities
Triennial Actuarial Valuation

2014/15

Review of the asset allocation for the Fund

- 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.

CLIVE HEAPHY
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