



Pension Fund Sub Committee
28th June 2010

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

For Action

Wards Affected:
ALL

**Report Title: BUSINESS AND TRAINING PLANS FOR 2010/11,
AND BUSINESS PLANS TO 2012/14**

1. SUMMARY

The plans outline the planned activities of the Pension Fund Sub Committee for the year to February 2012, and the three years to February 2014.

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, and knowledge and skills on 29th June 2010. 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 Actuarial Valuation, Fixed Interest investment, Investment Management fees and Private Equity. A separate paper on member and officer skills is also on the agenda.

Business Plan 2010/11

3.3 The Business Plan for 2009/10 has been delivered with the exception of

- a) There have not been any issues on pension fund administration.
- b) Review of Additional Voluntary Contribution (AVC arrangements). This has been put back to 2011.

Additional items of business covered by the Sub Committee included additional investment in private equity (the Solar Fund), consideration of the Global Equities mandate and appointment of an Emerging Markets manager, a proposal by Fauchier Partners to join a distressed debt fund, and consideration of Socially Responsible Investment.

Business Plan 2011/12

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	September
Review of Additional Voluntary Contribution arrangements	June
Issues related to the Actuarial Valuation – including revised Funding Strategy Statement	February
Review of the actuary	November
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

Fauchier Partners – Investment in Hedge Funds	June
WM – Performance measurement	September
Legal & General – passive investment	November
Alinda – Investment in Infrastructure	
	February
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 the Brent In-house manager will issue reports for each meeting. LGIM 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 2011/14

- 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:-

2012/13

Consideration of new investment opportunities
Review of the Independent Adviser

2013/14

Consideration of new investment opportunities

- 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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