

MINUTES OF THE INVESTMENT AND PENSION FUND COMMITTEE –18th September 2015

Report of the County Treasurer

Please note that the following recommendation is subject to consideration and determination by the Board before taking effect.
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Recommendation: that the Board notes the minutes of the Investment and Pension Fund Committee meeting of 18th September 2015.

1. Introduction

- 1.1. The minutes of the Investment and Pension Fund Committee meeting on 18th September 2015 are attached at Appendix 1.

2. Minute of the Investment and Pension Fund Committee – 18th September 2015

- 2.1. Key items for the Board to note that were discussed at the meeting are as follows:

2.2. Performance of the Fund Custodian

A recommendation resulting from the audit of custodian services was that the Investment and Pension Fund Committee should receive quarterly performance information on the services provided by the custodian. At the meeting of the Pension Board on 2nd July, the Board requested that this should be considered by the Committee.

The current practice is that quarterly performance reviews are held between the Fund's officers and the custodian. It has been considered that these reviews are operational in nature, and that reports on custodian performance would only be brought to the Committee on an exceptions basis, when a significant issue or concern arose.

Following the Board's recommendation, a report, including key performance indicators for the quarter ending June 2015, was presented to the Committee.

The Committee considered the recommendation and resolved that the Custodian's performance continue to be reported to the Committee by exception.

2.3. Independent Investment Advisor

At its last meeting, the Pension Board requested that the County Treasurer provide clarity around the process used to appoint the Independent Advisor to the Fund, and any plans to implement performance monitoring in this area.

Following the recommendation by the Board, the Committee resolved to review the contractual and procurement arrangements, with respect to the position of Independent Advisor at its meeting in June 2016, when the current contract expires.

Discussions have now taken place between the Chairman of the Committee and officers with Steve Tyson, the Independent Advisor to the Fund, and John Arthur, the Managing Director of AllenbridgeEpic, about putting in place performance monitoring. AllenbridgeEpic regularly monitor the performance of their advisors and, as part of that process, John Arthur sat in on the recent fund manager review meetings.

The Investment and Pension Fund Committee resolved the proposal that AllenbridgeEpic provide an appraisal form to enable the Fund to evaluate Steve Tyson's performance, and that the appraisal form should be completed by the County Treasurer in liaison with the Chairman of the Investment and Pension Fund Committee.

2.4. Pension Fund Risk Register

The Committee was presented with a report which included the suggestion from the Board that each risk identified on the register should be assigned a named risk owner. This would make it clear that the named individual is responsible for managing the risk together with any planned further actions.

The Investment and Pension Fund Committee resolved the proposal and requested the addition of a further risk to the register in order to acknowledge the possibility of LGPS members transferring their pension rights out of the fund, in order to obtain a capital sum under the Government's "Freedom and Choice" legislation.

The Risk Register is also a separate item on the agenda for this meeting of the Pension Board.

3. Conclusion

- 3.1. The Board is asked to note the minutes of the Investment and Pension Fund Committee meeting from 18th September 2015.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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