



Haverling

LONDON BOROUGH

PENSIONS COMMITTEE AGENDA

7.00 pm

**Tuesday
14 June 2016**

**Town Hall, Main Road,
Romford**

Members 7: Quorum 3

COUNCILLORS:

**Conservative
(3)**

John Crowder
(Chairman)
Jason Frost
Melvin Wallace

**Residents'
(2)**

Nic Dodin
Stephanie Nunn

**East Haverling
Residents'
(1)**

Clarence Barrett

**UKIP
(1)**

David Johnson (Vice-
Chair)

Trade Union Observers

(No Voting Rights) (2)

John Giles, (Unison)
Andy Hampshire, GMB

**Admitted/Scheduled Bodies
Representative**

(Voting Rights) (1)

Heather Foster-Byron

**For information about the meeting please contact:
James Goodwin 01708 432432
james.goodwin@OneSource.co.uk**

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) – receive

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in any item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 1 - 4)

To approve as correct the minutes of the meeting held on 15 March 2015 and authorise the Chairman to sign them.

5 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED MARCH 2016 (Pages 5 - 18)

6 PENSION FUND AUDIT PLAN 2015/16 (Pages 19 - 36)

7 LOCAL GOVERNMENT PENSION SCHEME: LONDON BOROUGH OF HAVERING EMPLOYER DISCRETIONS STATEMENT OF POLICY AND DISCRETION DECISIONS

Report to follow.

8 BUSINESS PLAN/ANNUAL REPORT ON THE WORK OF THE PENSIONS COMMITTEE 2015/16 (Pages 37 - 68)

9 URGENT BUSINESS

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which shall be specific in the minutes that the item should be considered at the meeting as a matter of urgency.

10 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

11 REVIEW OF FUND PERFORMANCE FOR THE QUARTER ENDING 31 MARCH 2016 (Pages 69 - 90)

12 GMO - GLOBAL REAL RETURN (UCITS) FUND (Pages 91 - 124)

**Andrew Beesley
Committee Administration
Manager**

**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Committee Room 3A - Town Hall
15 March 2016 (7.00 - 9.00 pm)**

Present:

COUNCILLORS

Conservative Group Melvin Wallace, Roger Westwood and Wendy Brice-Thompson (In place of John Crowder)

Residents' Group Ray Morgon and John Mylod (In place of Stephanie Nunn)

East Havering Residents' Group Clarence Barrett

UKIP Group David Johnson (Vice-Chair) (In the Chair)

Trade Union Observers: John Giles (UNISON) and Andy Hampshire (GMB)

Apologies were received for the absence of Councillors John Crowder and Stephanie Nunn. .

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

32 MINUTES OF THE MEETING

The minutes of the meeting held 15 December 2015 were agreed as a correct record and signed by the Chairman.

33 PENSION FUND PERFORMANCE MONITORING FRO THE QUARTER ENDED 31 DECEMBER 2015

Officers advised the Committee that the net return on the Fund's investments for the quarter to 31 December 2015 was 2.8%. This represented an out performance of 0.9% against the combined tactical benchmark and an out performance of 4.6% against the strategic benchmark.

The overall net return for the year to 31 December 2015 was 1.8%. This represented an under performance of -0.9% against the tactical combined benchmark and an under performance of -1.2% against the annual strategic benchmark.

At the close of business on 31 December 2015 the total combined value of the fund was £561.69m this represented an increase of £14.82m from the position at the close of business on 30 September 2016. Officers advised that as at the end of February the fund had seen a small drop to approximately £560m.

The Committee had received an update from Hymans Robertson and presentations from two of the Fund Managers UBS Triton and Royal London Asset Management.

The Committee **noted** the reports and presentations.

34 **THE ADMISSION OF ACCENT CATERING TO THE LONDON BOROUGH OF HAVERING PENSION FUND**

The Committee has been advised of the proposed 'closed agreement' admission of Accent Catering Services Ltd into the London Borough of Havering Pension Fund under the provisions of The Local Government Pension Scheme Regulations 2013, Schedule 2, Part 3 and in accordance with the New Fair Deal Guidance.

Accent Catering Services Ltd had won the contract to provide catering services to the Coopers Coburn Academy. This contract was for five years and due to commence on 1 September 2015. The contracts of employment of 7 employees transferred from the Academy to Accent Catering Services Ltd.

The Council's Actuary had set the level of bond required at £195,000 to cover the level of risk arising from premature termination of the provision of service or assets provided by the body by reason of insolvency, winding up or liquidation. When the admission agreement was formed Accent Catering would be required to pay contribution rates as determined by the Fund Actuary, this was set initially at 29.9% of pensionable pay.

The Committee **noted** the admission of Accent Catering Services Ltd into the London Borough of Havering Pension Fund as an admitted body to enable 7 members of staff who transferred from Cooper's Coburn Academy to continue membership of the Local Government Pension Scheme, subject to:

1. All parties signing up to an Admission Agreement, and
2. An indemnity or Insurance Bond in an approved form with an authorised insurer or relevant institution, being put in place to protect the pension fund.

35 **EXCLUSION OF THE PUBLIC**

The Committee resolved to excluded the public from the meeting during discussion of the following item on the grounds that if

members of the public were present it was likely that, given the nature of the business to be transacted, that there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 which could reveal information relating to the financial or business affairs of any particular person (including the authority holding that information) and it was not in the public interest to publish this information.

36 **EXEMPT MINUTES OF THE MEETING**

The exempt minutes of the meeting held on 15 December 2016 were agreed as a correct record and signed by the Chairman.

Chairman

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PENSIONS COMMITTEE

14 June 2016

Subject Heading:

**PENSION FUND PERFORMANCE
MONITORING FOR THE QUARTER
ENDED MARCH 2016**

CMT Lead:

Andrew Blake Herbert

Report Author and contact details:

Debbie Ford
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Policy context:

Pension Fund Managers' performances are regularly monitored in order to ensure that the investment objectives are being met.

Financial summary:

This report comments upon the performance of the Fund for the period ended 31 March 2016

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

This report provides the Committee with an overview of the performance of the Havering Pension Fund investments for the quarterly period to 31 March 2016. The performance information is taken from the Quarterly Performance Report supplied by each Investment Manager, the WM Company Quarterly Performance Review Report and Hymans Monitoring Report.

The net return on the Fund's investments for the **quarter** to 31 March 2016 was **1.4%**. This represents an under performance of **-0.8%** against the tactical benchmark and an under performance of **-6.9%** against the strategic benchmark.

The overall net return of the Fund's investments for the **year** to 31 March 2016 was **-1.2%**. This represents under performance of **-2.8%** against the tactical combined benchmark and under performance of **-7.7%** against the annual strategic benchmark. The annual strategic benchmark is a measure of the fund's performance against a target based upon gilts + 1.8% (the rate which is used in the valuation of the funds liabilities). The implications of this shortfall are discussed further in paragraphs 1.2 and 1.3 below.

It is now possible to measure the individual managers' annual return for the new tactical combined benchmark since they became active on the 14th February 2005. These results are shown later in the report.

RECOMMENDATIONS

That the Committee:

- 1) Considers Hymans performance monitoring report and presentation (Appendix A).
- 2) Receive a presentation from the Fund's Multi-Asset Manager (GMO Global Real Return).
- 3) Notes the summary of the performance of the Pension Fund within this report.
- 4) Considers the quarterly reports provided by each investment manager.
- 5) Considers and notes any Corporate Governance issues arising from voting as detailed by each manager.
- 6) Considers any points arising from officer monitoring meetings (section 4 refers).
- 7) Notes the analysis of the cash balances (paragraphs 2.2 and 2.3 refers).

REPORT DETAIL

1. Background

- 1.1 The Fund undertook a full review of the Statement of Investment Principles (SIP) during 2012/13 and following the appointments of the Multi Asset Managers this almost completes the fund's restructuring. The Fund is still considering options for an investment in Local Infrastructure.

- 1.2 A strategic benchmark has been adopted for the overall Fund of Gilts + 1.8% (net of fees) per annum. This is the expected return in excess of the fund's liabilities over the longer term. The strategic benchmark measures the extent to which the fund is meeting its longer term objective of reducing the funds deficit. This current shortfall is driven by the historically low level of interest rates which drive up the value of gilts (and consequently the level of the fund liabilities). Whether interest rates will remain at those levels for the longer term and the implications for the Fund's Investment strategy is a matter which will need to be considered at the time of the next actuarial review.
- 1.3 Our Investment Advisors have stated that there are things that could have been done to protect the fund against falling interest rates (e.g. hedging) but they do not believe that this action would have been appropriate. The Fund is already partially protected through its investments with Royal London and given the long term nature of the fund they believe that the fund objective of pursuing a stable investment return remains appropriate. They also note that although the value placed on the liabilities has risen as a result of falling yields, inflation and expectations of future inflation has fallen meaning that the actual benefit cash flows expected to be paid from the fund will be lower.
- 1.4 Individual manager performance and asset allocation will determine the out performance against the strategic benchmark. Each manager has been set a specific (tactical) benchmark as well as an outperformance target against which their performance will be measured. This benchmark is determined according to the type of investments being managed. This is not directly comparable to the strategic benchmark as the majority of the mandate benchmarks are different but contributes to the overall performance.

1.5 The following table reflects the asset allocation split :

Asset Class	Target allocation	Investment Manager/ product	Segregated /pooled	Active/ Passive	Benchmark and Target
UK/Global Equity	12.5%	Baillie Gifford (Global Alpha Fund)	Pooled	Active	MSCI All Countries Index plus 2.5%
	6.25%	State Street Global Asset	Pooled	Passive	FTSE All World Equity Index
	6.25%	State Street Global Asset	Pooled	Passive	FTSE RAFI All World 3000 Index
Multi Asset Strategy	15%	Baillie Gifford (Diversified Growth Fund)	Pooled	Active	UK Base Rate plus 3.5%
	20%	GMO Global Real return (UCITS)	Pooled	Active	OECD CPI g7 plus 3 - 5%
Absolute	15%	Ruffer	Segregated	Active	LIBOR+

Asset Class	Target allocation	Investment Manager/ product	Segregated /pooled	Active/ Passive	Benchmark and Target
Return					
Property	5%	UBS	Pooled	Active	IPD All balanced (property) Fund's median +
Gilt/Investment Bonds	17%	Royal London	Segregated	Active	<ul style="list-style-type: none"> • 50% iBoxx £ non- Gilt over 10 years • 16.7% FTSE Actuaries UK gilt over 15 years • 33.3% FTSE Actuaries Index-linked over 5 years. Plus 1.25%*
Infrastructure	3%	State Street Global Assets –Sterling liquidity Fund Cash is invested pending identification of a local infrastructure project.			

*0.75% prior to 1 November 2015

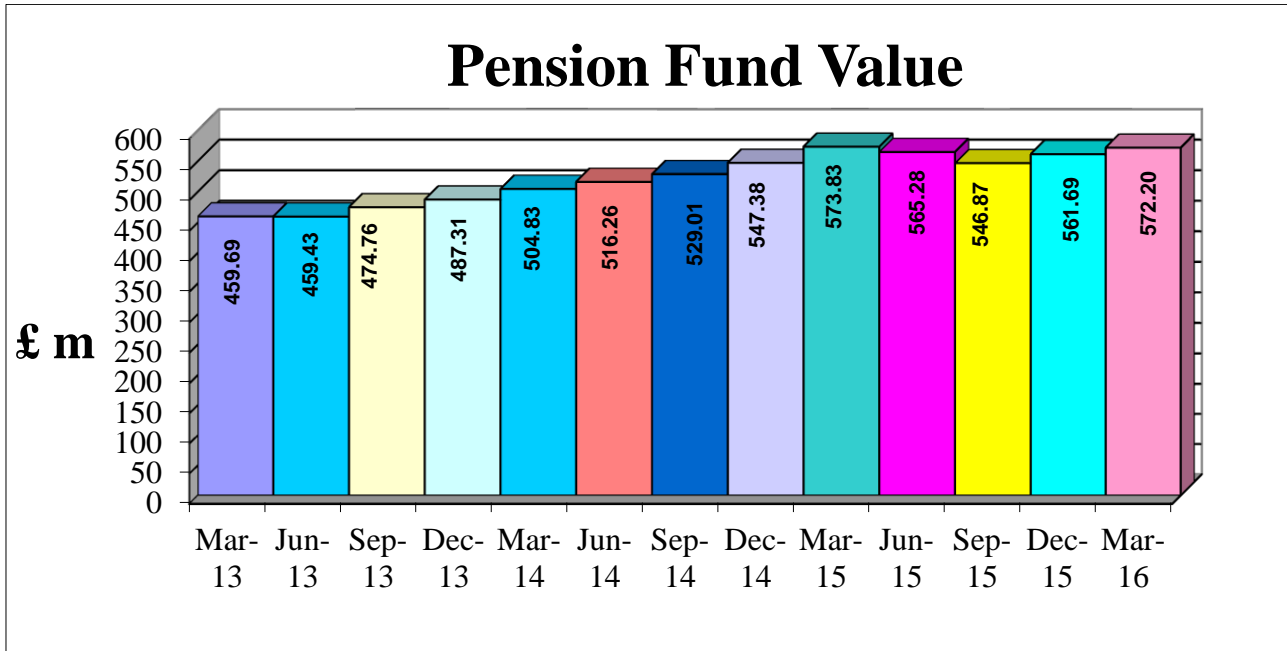
- 1.6 UBS, SSgA, GMO and Baillie Gifford manage the assets on a pooled basis. Royal London and Ruffer manage the assets on a segregated basis. Performance is monitored by reference to the benchmark and out performance target. Each manager's individual performance is shown in this report with a summary of any key information relevant to their performance.
- 1.7 Since 2006, to ensure consistency with reports received from our Performance Measurers, Investments Advisors and Fund Managers, the 'relative returns' (under/over performance) calculations has been changed from the previously used arithmetical method to the industry standard geometric method (please note that this will sometimes produce figures that arithmetically do not add up).
- 1.8 Existing Managers are invited to present at the Pensions Committee Meeting every six months. On alternate dates, they meet with officers for a formal monitoring meeting. The exception to this procedure are the pooled Managers (SSgA, UBS, Baillie Gifford and GMO) and Ruffer who will attend two meetings per year, one with Officers and one with the Pensions Committee. However if there are any specific matters of concern to the Committee relating to the

Managers performance, arrangements will be made for additional presentations.

1.9 Hyman’s performance monitoring report is attached at **Appendix A**.

2. Fund Size

2.1 Based on information supplied by our performance measurers the total combined fund value at the close of business on 31 March 16 was **£572.20m**. This valuation differs from the basis of valuation used by our Fund Managers and our Investment Advisor in that it excludes accrued income. This compares with a fund value of £561.69m at the 31 December 15; an **increase of £10.52m**. The movement in the fund value is attributable to an increase in assets of £8.53m and an increase in cash of £1.99m. The internally managed cash level stands at **£11.65m** of which an analysis follows in this report.



Source: WM Company (Performance Measurers)

2.2 An analysis of the internally managed cash balance of **£11.65m** follows:

<u>CASH ANALYSIS</u>	<u>2013/14</u> <u>31 Mar 15</u>	<u>2014/15</u> <u>31 Mar 15</u> <u>Updated</u>	<u>2015/16</u> <u>31 Mar 16</u>
	£000's	£000's	£000's
Balance B/F	-3474	-5661	-7599
Benefits Paid	32552	33568	35048
Management costs	2312	1600	1735
Net Transfer Values	-1131	-135	1018
Employee/Employer Contributions	-45659	-35306	-42093
Cash from/to Managers/Other Adj.	9825	-1618	306

Internal Interest	-86	-47	-67
Movement in Year	-2187	-1938	-4053
Balance C/F	-5661	-7599	-11652

2.3 Members agreed the updated cash management policy at its meeting on the 15 December 2015. The policy sets out that should the cash level fall below the de-minimus amount of £3m this should be topped up to £6m. This policy includes drawing down income from the bond and property manager when required.

2.4 The cash management policy also incorporates a threshold for the maximum amount of cash that the fund should hold and introduced a discretion that allows the Chief Executive to exceed the threshold to meet unforeseeable volatile unpredictable payments.

3. Performance Figures against Benchmarks

3.1.1 The overall net performance of the Fund against the new **Combined Tactical Benchmark** (the combination of each of the individual manager benchmarks) follows:

	Quarter to 31.03.16	12 Months to 31.03.16	3 Years to 31.03.16	5 years to 31.03.16
Fund	1.4%	-1.2%	6.1%	7.3%
Benchmark	2.2%	1.7%	5.9%	7.0%
*Difference in return	-0.8%	-2.8%	0.3%	0.4%

Source: WM Company

*Totals may not sum due to geometric basis of calculation and rounding.

3.1.2 The overall net performance of the Fund against the **Strategic Benchmark** (i.e. the strategy adopted of Gilts over 15 years + 1.8% Net of fees) is shown below:

	Quarter to 31.03.16	12 Months to 31.03.16	3 Years to 31.03.16	5 years to 31.03.16
Fund	1.4%	-1.2%	6.1%	7.3%
Benchmark	8.9%	7.1%	11.6%	14.2%
*Difference in return	-6.9%	-7.7%	-4.9%	-6.0%

Source: WM Company

*Totals may not sum due to geometric basis of calculation and rounding.

3.1.3 The following tables compare each manager's performance against their **specific (tactical) benchmark** and their **performance target** (benchmark plus the agreed mandated out performance target) for the current quarter and the last 12 months.

QUARTERLY PERFORMANCE (AS AT 31 MARCH 2016)

Fund Manager	Return (Performance)	Benchmark	Performance vs benchmark	Target	Performance vs Target
Royal London	5.10	5.82	-0.72	6.01	-0.91
UBS	1.43	1.38	0.05	n/a	n/a
Ruffer	-0.03	0.10	-0.13	n/a	n/a
SSgA Global Equity	2.93	2.94	-0.01	n/a	n/a
SSgA Fundamental Index	3.16	3.14	0.02	n/a	n/a
SSgA Sterling Liquidity Fund	0.14	0.09	0.05	n/a	n/a
Baillie Gifford (Global Alpha Fund)	0.40	2.90	-2.50	3.53	-3.13
London CIV/Baillie Gifford (DGF)	-0.1	1.00	-1.1	n/a	n/a
GMO	-0.03	-0.02	-0.01	n/a	n/a

Source: WM Company, Fund Managers and Hymans

- Totals may not sum due to geometric basis of calculation and rounding.

ANNUAL PERFORMANCE (LAST 12 MONTHS)

Fund Manager	Return (Performance)	Benchmark	Performance vs benchmark	Target	Performance vs Target
Royal London	1.42	1.02	0.40	1.77	-0.35
UBS	11.63	11.24	0.39	n/a	n/a
Ruffer	-3.47	0.60	-4.07	n/a	n/a
SSgA Global Equity	0.53	0.56	-0.03	n/a	n/a
SSgA Sterling Liquidity Fund	0.53	0.36	0.17	n/a	n/a
Baillie Gifford (Global Alpha Fund)	0.10	-0.60	0.70	1.90	-1.80
London CIV/Baillie Gifford (DGF)	-1.40	4.00	-5.20	n/a	n/a
GMO	-5.58	0.14	-5.72	n/a	n/a

Source: WM Company, Fund Managers and Hymans

- Totals may not sum due to geometric basis of calculation and rounding.
- SSgA fundamental Index not invested for entire period

4. Fund Manager Reports

4.1. UK Investment Grade Bonds (Bonds Gilts, UK Corporates, UK Index Linked, UK Other) – (Royal London Asset Management)

- a) In accordance with agreed procedures officers met with representatives from Royal London on the 11 May 2016 at which a review of their performance as at 31 March 16 was discussed.
- b) The fund achieved a net return of 5.10% during the quarter and underperformed the benchmark for the quarter by -0.72%. Royal London outperformed the benchmark over the one year period by 0.40%. Since inception they outperformed the benchmark by 0.57%.
- c) With effect from the 1 November 2015 the return objective was increased from 0.75% to 1.25% and following a change to the mandate's performance target and permissible investments, an exposure totalling 8.2% of Fund assets was established in the Royal London Sterling Extra Yield Bond Fund.
- d) Asset Allocation within the portfolio was 52.6% Conventional credit bonds, 29.1% Index linked sovereign bonds, 9.6% Sterling conventional gilts, 7.6% RL Sterling extra yield bond fund, 0.1% Overseas conventional credit bonds and 0.9% in cash.
- e) There has only been small portfolio changes during the quarter, an increase allocations in index linked sovereign bonds, funded by the sale of Sterling conventional gilts and conventional credit bonds. The portfolio remains overweight in Conventional credit bonds remaining underweight in Sterling conventional gilts and Index linked sovereign bonds.
- f) Royal London reported on market events during the quarter:
 - Government bonds (Gilts) returned 4.92% over the quarter. Yields fell sharply across maturities, medium dated gilts outperformed, with long dated gilts impacted by heavy demand. Both European and Japanese government bonds outperformed gilts. The ECB cut deposit rates further and extended it QE programme, with the Japanese banks following the ECB in cutting interest rates below zero.
 - Index linked gilts returned 5.67% over the quarter, real yields fell across all maturities, and initial concerns over global growth drove yield moves. A further slump in oil prices early in the quarter led to the re-emergence of deflation concerns and a fall in demand for inflation linked securities. Royal London's relative preference for index-linked bonds was marginally increased over the quarter that was a small benefit for overall fund performance. UK index linked gilts were expensive compared to overseas and off benchmark

positions in US, Australian, French and German index linked bonds were actively traded through the quarter, which added to performance.

- Sterling credit bonds returned 3.01% over the quarter. Corporate bonds in non-financials out performed financials, which was the reverse of last year's performance. Sterling bond issuance remain subdued as concerns over China and the outlook for global growth added to the already tepid liquidity conditions, with many sterling issuers waiting until after the June EU referendum.
- h) The relative fund performance over the quarter was principally a result of asset allocation, duration and yield curve positioning. The main positive and negative contributors to performance during the quarter are as follows:
- Royal London maintained their underweight exposure to government bonds in favour of corporate bonds this quarter, concerns for the outlook for global growth re-emerged, the start of 2016 was characterised by a volatile financial market and a sharp fall in government bond yields, although managed to recover by the end of the quarter. This asset allocation detracted from fund performance.
 - Off benchmark exposure to shorter dated credit bonds and overweight exposure to ultra long dated index linked government bonds negatively impacted performance.
 - Royal London's overweight position in financial bonds and underweight exposure to supranational debt and the industrial sector was not beneficial to performance
 - Tactical trading in gilts and index- linked gilts had a positive impact on performance.
- i) Royal London believes that UK base rates will rise by the end of 2016 and have held a short duration position. We asked them what their drivers for this view are given that the markets do not now imply a rate rise for next 2-3 years. They said they believe the current global economic expansion will sustain through 2016, they also expect oil prices to rise by the end of 2016 to more normal levels (oil prices have fallen by approximately 80%) which will increase inflation and is the first step to an interest rate rise. If interest rates remain lower for longer than they expect they do not think this will not have an adverse effect on the portfolio as they have a positive well maintained position, again noting that credit companies do well when interest rates are low.
- j) We asked Royal London, to what extent do they believe ESG considerations are relevant to bond investment and how do they integrate ESG issues in their credit research and management of bond portfolio (ESG - environmental, social and governance refers to the three

central factors in measuring the sustainability and ethical impact of an investment in a company or business). They said that they did not have any ESG screens and they do not consider ESG issues for this fund. However, market forces indirectly impact ESG implications on the portfolio, by making investments more or less attractive. For instance climate change could have an impact water companies, investment in Water Boards could be more attractive in North Yorkshire than down in the south of England due to rain fall levels.

- k) No governance or whistle blowing issues was reported.

4.2. Property (UBS)

- a) In accordance with agreed procedures officers will only meet with representatives from UBS once in the year with the other meeting to be held with members. Representative from UBS last met with Officers on the 20 August 2015 at which a review of their performance as at 30 June 15 was discussed. UBS last met with members of the Pension Committee on the 15 March 2016 at which they covered the period ending up to 31 December 2015.
- b) UBS delivered a return of 1.43% over the quarter, outperforming the benchmark by 0.05%. The Fund is ahead of the benchmark over the year by 0.39%.
- c) Following the Pensions Committee decision on the 15 December 2015 £5.5m was withdrawn from the SSgA Sterling Liquidity Fund on the 3 February 2016 to purchase additional units in the UBS Triton Fund.

4.3. Multi Asset Manager (Ruffer)

- a) In accordance with agreed procedures officers will only meet with representatives from Ruffer once in the year with the other meeting to be held with members. The Pensions Committee last met with Ruffer at the 22 September 2015 meeting at which their performance as at the end of June 15 was discussed. Officers last met with representatives from Ruffer on 05 February 2015 at which a review of their performance as at 31 December 2015 was discussed.
- b) Since Ruffer last met with officers, to discuss the December 15 quarter end, there has been no change in the value of the fund.
- c) Ruffer delivered a return of -0.03% (net of fees) over the quarter, underperforming the benchmark by -0.13%. Over the last 12 months Ruffer delivered a return of -3.47% underperforming the benchmark by -4.07%.

- d) Representatives from Ruffer and officers are preparing to transfer assets into the London CIV. It is anticipated that this will take place during the latter half of June 2016.
- e) No whistle blowing issues or governance was reported.

4.4. Passive Equities Manager (SSgA)

- a) In accordance with agreed procedures officers will only meet with representatives from SSgA once in the year with the other meeting to be held with members. SSgA last met with the members of the Pension Committee on the 15 December 2015 at which they covered the period ending up to 31 September 2015. Officers met with representatives from SSgA on the 11 May 2016 at which a review of their performance as at 31 March 16 was discussed.
- b) Value of the fund has decreased since members last met with SSGA by 4.09%
- c) The new SSgA Fundamental Index commenced on the 20 August 2015.
- d) The SSgA mandate is now split into three components, Sterling Liquidity sub fund, SSgA All World Equity Index sub fund, and the Fundamental Index Global Equity sub fund.
- e) SSGA has performed in line with the benchmark over the latest quarter, as anticipated from an index-tracking mandate
- f) We asked SSGA how they approached corporate engagement and voting within its managed index tracking equity portfolios and to what extent do they believe that active engagement conflicts with the concept of passive management. They said that their proxy voting and engagement strategy is designed to meet the needs of UK clients; they have a standard proxy voting policy that they only deviate from on rare occasions that are justified by special circumstances specific to an individual company. SSGA vote with the aim of ensuring that clients receive the best possible returns on their investment and company policies are in the best interest of their shareholders. They do not want to interfere with the day to day operations of the companies, but want to make sure the management are effective and wanting to maximise the shareholder return.
- g) Following the Pensions Committee meeting on the 15 December 2015 and a further decision to purchase additional units in the UBS Triton Property Fund, £5.5m was withdrawn from the SSgA Sterling Liquidity Fund on the 3 February 2016. This is reflected in the decrease of value of the SSgA portfolio.
- h) No governance issues or whistle blowing was reported.

4.5. Global Equities Manager (Baillie Gifford)

- a) In accordance with agreed procedures officers met with representatives from Baillie Gifford on the 4 February 2016 at which a review of their performance as at 31 December 15 was discussed.
- b) The value of the fund increased by 0.36% over the last quarter.
- c) The Global Alpha Fund delivered a return of 0.40% (net of fees) over the quarter, underperforming the benchmark by -2.50%. Over the last 12 months Baillie Gifford delivered a return of 0.10% outperforming the benchmark by 0.70%.
- d) This mandate transferred to the London CIV on the 11 April 2016.
- e) No governance or whistle blowing issues were reported

4.6. Multi Asset Manager (Baillie Gifford Diversified Growth Fund)

- a) In accordance with agreed procedures officers met with representatives from Baillie Gifford on the 4 February 2016 at which a review of their performance as at 31 December 15 was discussed.
- b) This mandate was transferred to the London CIV on the 15 February 2016.
- c) The London CIV will oversee the monitoring and review of the performance of this mandate and we will expect some feedback from the London CIV in due course.

4.7. Multi Asset Manager (GMO – Global Real Return (UCITS) Fund)

- a) In accordance with agreed procedures officers will only meet with representatives from GMO once in the year with the other meeting to be held with members. GMO last met with the members of the Pension Committee on the 23 June 2015 at which they covered the period ending up to 31 March 2015. Officers met with representatives from GMO on the 5 November 2015, at which a review of their performance as at 30 September 15 was discussed.
- b) Representatives from GMO are due to make a presentation at this Committee therefore a brief overview of their performance as at 31 March 2016 follows.
- c) The fund achieved a net return of 0.03% during the quarter and underperformed the benchmark for the quarter by -0.01%. Over the last 12

months GMO delivered a return of -5.58% underperforming the benchmark by -5.72%.

- d) The GMO investment is in a dynamic multi-asset fund, the GMO Global Real Returns UCITS Fund (GRRUF) and targets a return of CPI+5% (net of fees) over a full 7 year cycle. The Fund invests globally in equities, debt, money market instruments, currencies, instruments relating to commodities indices, REITS and related derivatives.
- e) GMO philosophy is to buy undervalued assets with a long term view to assets returning to fair value.
- f) The asset allocation within the portfolio was 43% Equities, 15% Alternative strategies, 22% Fixed Income and 20% Cash/Cash Plus.

5. Corporate Governance Issues

The Committee, previously, agreed that it would:

1. Receive quarterly information from each relevant Investment Manager, detailing the voting history of the Investment Managers on contentious issues. This information is included in the Managers' Quarterly Reports, which will be distributed to members electronically.
2. Receive quarterly information from the Investment Managers, detailing new Investments made.
 - Points 1 and 2 are contained in the Managers' reports.
3. Voting – Where the fund does not hold a pooled equity holding, Members should select a sample of the votes cast from the voting list supplied by the managers (currently only Ruffer) which is included within the quarterly report and question the Fund Managers regarding how Corporate Governance issues were considered in arriving at these decisions.

This report is being presented in order that:

- The general position of the Fund is considered plus other matters including any general issues as advised by Hymans.
- Hymans will discuss the managers' performance after which the particular manager will be invited to join the meeting and make their presentation. The managers attending the meeting will be from:

GMO

- Hymans and Officers will discuss with Members any issues arising from the monitoring of the other managers.

IMPLICATIONS AND RISKS

Financial implications and risks:

Pension Fund Managers' performances are regularly monitored in order to ensure that the investment objectives are being met and consequently minimise any cost to the General Fund

Legal implications and risks:

None arising directly

Human Resources implications and risks:

There are no immediate HR implications. However longer term, shortfalls may need to be addressed depending upon performance of the fund.

Equalities implications and risks:

None arising that directly impacts on residents or staff.

BACKGROUND PAPERS

Royal London Quarterly report to 31 March 2016
UBS Quarterly report to 31 March 2016
Ruffer Quarterly report 31 March 2016
State Street Global Assets report to 31 March 2016
Baillie Gifford Quarterly Reports 31 March 2016
GMO Quarterly Report 31 March 2016
The WM Company Performance Review Report to 31 March 2016

PENSIONS COMMITTEE

14 June 2016

Subject Heading:	PENSION FUND AUDIT PLAN 2015/16
CMT Lead:	Andrew Blake Herbert
Report Author and contact details:	<i>Debbie Ford</i> <i>Pension Fund Accountant</i> <i>01708432569</i> <u>Debbie.ford@onesource.co.uk</u>
Policy context:	Planned audit of the 2015/16 Pension Fund Accounts
Financial summary:	Indicative fee scale is £21,000.

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

This report provides members with an Audit Plan as issued by Ernst & Young LLP for the work they plan to undertake for provision of an audit opinion on the pension fund accounts for the year ending 31 March 2016.

RECOMMENDATIONS

That the Committee note the 2015/16 Audit Plan.

REPORT DETAIL

1 Background

- 1.1. The Audit Plan covers the work that Ernst and Young plan to perform to provide an audit opinion on whether the financial statements of the Havering pension fund give a true and fair view of the financial position as at 31 March 2016. They will also review the pension fund's annual report.
- 1.2. The Audit Plan can be seen as attached in **Appendix A**.
- 1.3. Ernst and young replace Price Waterhouse Coopers as the Councils appointed auditors for the financial years 2015/16 and 2017/18. This will be the first audit undertaken by Ernst & Young for the Havering Pension Fund.
- 1.4. The council's external auditors are appointed by the Audit Commission in accordance with statutory provisions. It is normal practice to change auditors on a five yearly cycle.
- 1.5. It is expected that the audit of accounts will be completed by September and the final audit report will be presented to the Pensions Committee at the September Pension Committee meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

The agreed fee of £21,000 is based on the following assumptions:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- Officers meeting the agreed timetable of deliverables;
- The opinion being unqualified;
- Appropriate quality of documentation is provided;
- There is an effective control environment; and
- Prompt responses are provided to draft reports

A variation to the fees will be sought if any of the above assumptions are not met.

Legal implications and risks:

There are no legal implications arising directly from this report.

Human Resources implications and risks:

There are no immediate HR implications.

Equalities implications and risks:

None arising that directly impacts on residents or staff.

BACKGROUND PAPERS

Ernst & Young LLP Audit Plan

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Havering Pension Fund

Year ending 31 March 2016

Audit Plan

May 2016

Ernst & Young LLP



Building a better
working world

Audit Committee
London Borough of Havering
Town Hall
Main Road
Romford RM1 3BB

4 May 2016

Ref: HPF / DH / 2015-16 Audit Plan

Direct line: 07974 006715

Email: dhanson@uk.ey.com

Dear Committee Members

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit Committee with a basis to review our proposed audit approach and scope for the 2015/16 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Pension Fund and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this plan with you on 10 May 2016 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Debbie Hanson
Executive Director
For and behalf of Ernst & Young LLP
Enc

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3. Our audit process and strategy	3
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Appendix A Fees	8
Appendix B UK required communications with those charged with governance	9

In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Overview

Context for the audit

This Audit Plan covers the work that we plan to perform to provide you with our audit opinion on whether the financial statements of Havering Pension Fund (the Pension Fund) give a true and fair view of the financial position as at 31 March 2016 and of the amount and disposition of the Fund's assets and liabilities for the year then ended.

When planning the audit we take into account several key inputs:

- ▶ strategic, operational and financial risks relevant to the financial statements;
- ▶ developments in financial reporting and auditing standards;
- ▶ the quality of systems and processes;
- ▶ changes in the business and regulatory environment; and
- ▶ management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Pension Fund. Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

In part two of this plan we provide more detail on the above areas and we outline our plans to address them. Our proposed audit process and strategy are summarised below and set out in more detail in section three.

We will provide an update to the Audit Committee on the results of our work in these areas in our report to those charged with governance scheduled for delivery in September 2016.

2. Financial statement risks

We outline below our assessment of the financial statement risks facing the Pension Fund, identified through our knowledge of the Fund's operations and discussion with those charged with governance and officers.

At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)	Our audit approach
Risk of management override of controls	
As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> ▶ testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; ▶ reviewing accounting estimates for evidence of management bias; and ▶ evaluating the business rationale for significant unusual transactions.

Respective responsibilities in relation to fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ identifying fraud risks during the planning stages;
- ▶ enquiry of management about risks of fraud and the controls to address those risks;
- ▶ understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ determining an appropriate strategy to address any identified risks of fraud; and
- ▶ performing mandatory procedures regardless of specifically identified fraud risks.

3. Our audit process and strategy

3.1 Objective and scope of our audit

Under the Code of Audit Practice ('the Code') our principal objectives are to review and report on the Pension Fund's financial statements to the extent required by the relevant legislation and the requirements of the Code.

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also review the Pension Fund's annual report and form an opinion on the consistency of the financial statements of the pension fund included in the Pension Fund Annual Report.

3.2 Audit process overview

Our intention is to undertake a fully substantive audit. We believe this to be the most efficient approach to gaining assurance over the financial statements. Although we are not intending to rely on the control processes established within individual systems, the overarching control arrangements established by the pension fund form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement.

Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular the pensions payroll and journal entries. These tools:

- ▶ help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ give greater likelihood of identifying errors than random sampling techniques.

Internal audit

We will review internal audit plans and the results of their work. We will reflect the findings from these reports in our overall risk assessment, and undertake specific procedures to address any matters identified by Internal Audit that would impact on our audit of the pension fund accounts.

Use of specialists

In preparing the financial statements, management will place reliance on the work undertaken by a small number of experts. We anticipate being able to undertake sufficient procedures such that we will be able to place reliance on the work undertaken by management's experts. We will use specialist EY resource as necessary to help us form a view on judgments made in the financial statements.

3.3 Mandatory procedures required by auditing standards

As well as the financial statement risks outlined in section two, we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;

- ▶ Entity-wide controls;
- ▶ Reading other information contained in the London Borough of Havering's statement of accounts for the financial year 2015/16, and reporting whether it is inconsistent with our understanding of the pension fund account; and
- ▶ Auditor independence.

Procedures required by the Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements.

3.4 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

At the planning stage of our audit, we have set our overall materiality level at £5.7 million. We have based our calculation of materiality on 1% of the net assets recorded in the prior year financial statements. We will update our assessment of materiality based on the 2015/16 financial statements, once these are available. We will communicate uncorrected audit misstatements greater than £287,000 to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

3.5 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of Havering Pension Fund is £21,000 (£21,000 2014-15).

3.6 Your audit team

Debbie Hanson is the Executive Director leading our overall engagement with the London Borough of Havering and our relationship with the Audit Committee.

The Pension Fund engagement team will be led by Melissa Hargreaves, a member of our specialist financial services team. Melissa will be supported by Steve Bladen (Audit Manager) who is responsible for the day-to-day direction of audit work, and is the key point of contact for your finance and pension teams.

3.7 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit. The timetable includes the deliverables we have agreed to provide to the Pension Fund through the Audit Committee's cycle in 2015/16. These dates are determined to ensure our alignment with PSAA's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Committee Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter for the Council. This communicates to the Council and external stakeholders the key issues arising from our work. This will include reporting on our work on the Pension Fund.

Audit phase	Timetable	Audit Committee timetable	Deliverables
High level planning	April 2015		Audit Fee Letter
Risk assessment, setting of scope, and testing routine processes.	January - March 2016	May 2016	Audit Plan
Year-end audit	June - July 2016		
Completion of audit	September 2016	September 2016	Report to those charged with governance via the Audit Results Report Audit report, including our opinion on the financial statements Audit report on our opinion on the consistency of the financial statements within the pension fund annual report with the pension fund financial statements.
Conclusion of reporting	October 2016	December 2016	Annual Audit Letter (London Borough of Havering)

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

4. Independence

4.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that we are independent; ▶ Details of any inconsistencies between APB Ethical Standards, the PSAA Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ▶ An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

4.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Pension Fund.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Pension Fund has approved and that are in compliance with the PSAA Terms of Appointment.

At the time of writing, there are no non-audit services provided by us to the Pension Fund.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Pension Fund. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Melissa Hargreaves, the audit engagement Director, and the audit engagement team have not been compromised.

4.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2015 and can be found here:

<http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2015>

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2015/16 £	Scale Fee 2015/16 £	Outturn fee 2014/15 ¹ £
Total Audit Fee – Code work	21,000	21,000	21,000

¹2014/15 fees were payable to the Council's previous auditor, PwC.

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- ▶ The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our opinion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council;
- ▶ There is an effective control environment; and
- ▶ Prompt responses are provided to our draft reports.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Pension Fund in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Audit Committee. These are detailed here:

Required communication	Reference
Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.	▶ Audit Plan
Significant findings from the audit <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	▶ Report to those charged with governance
Misstatements <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant 	▶ Report to those charged with governance
Fraud <ul style="list-style-type: none"> ▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	▶ Report to those charged with governance
Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	▶ Report to those charged with governance
External confirmations <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	▶ Report to those charged with governance
Consideration of laws and regulations <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of 	▶ Report to those charged with governance

Required communication	Reference
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Significant deficiencies in internal controls identified during the audit</p>	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Fee Information</p> <ul style="list-style-type: none"> ▶ Breakdown of fee information at the agreement of the initial audit plan ▶ Breakdown of fee information at the completion of the audit 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance ▶ Annual Audit Letter if considered necessary

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PENSIONS COMMITTEE

14 June 2016

Subject Heading:

**BUSINESS PLAN/ANNUAL REPORT
ON THE WORK OF THE PENSIONS
COMMITTEE 2015/16**

CMT Lead:

Andrew Blake Herbert

Report Author and contact details:

Debbie Ford
Pension Fund Accountant
01708432569
Debbie.ford@onesource.co.uk

Policy context:

*A Business plan demonstrates compliance
against Myners' principles for effective
decision making.*

Financial summary:

Any associated costs met by the Pension

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

This report sets out the work undertaken by the Committee during 2015/16 and the plan of work for the following year (2016/17) along with an assessment of the training requirements for Members of the Committee. This will form the basis of the Pension Fund Business Plan.

This report explains why a Business Plan is needed and what it should contain.

RECOMMENDATIONS

1. Members to agree the Business Plan/ Report of the work of the Committee (See Appendix A) and refer it to full Council for consideration.

REPORT DETAIL

1. Each administrating authority is required by regulation 12 (3) of the Local Government Pension Scheme (LGPS)(Management and Investment of Funds) Regulations 2009 to include in its Statement of Investment Principles the extent to which the authority's policy complies with guidance given by the secretary of state. Compliance is measured against the six principles set out in the Myners Principles.
2. In a letter from the Department of Communities and Local Government (DCLG) to administering authorities dated 14 December 2009 reference is made to using guidance as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) on 11 December 2009. This is a guide to the application of the Myners Principle and includes suggested best practices that could be adopted to demonstrate compliance.
3. In Myners Principle 1: Effective Decision Making - suggested best practice is the creation of a Business Plan and a Training Plan. The Pensions Committee has, in recent years, prepared a report that has covered both Committee activities, including training and the general performance of the Fund. The latter is now a statutory requirement and will be prepared as part of the annual accounts process and included in the Annual Report. It is, however appropriate to continue to prepare a separate report on the activity of the Committee on an annual basis and this will be adopted as the Business Plan. The Business Plan will incorporate the Training Plan. This would also demonstrate compliance against Myners Principles 1: Effective Decision making.
4. CIPFA guidance suggests that the Business Plan is submitted to the committee for consideration and should contain:
 - Major milestones & issues to be considered by the committee
 - Financial estimates – investment and administration of the fund
 - Appropriate provision for training
 - Key targets & methods of measurement

- Review level of internal & external resources the committee needs to carry out its functions
 - Recommended actions to put right any deficiencies.
5. It is important that all the Members of the Committee are adequately trained and briefed to make effective decisions and that members are aware of their statutory and fiduciary responsibilities and achieve the terms of reference of this Committee which are:
1. To consider and agree the investment strategy and statement of investment principles (SIP) for the pension fund and subsequently monitor and review performance
 2. Authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters
 3. To appoint and review the performance of advisers and investment managers for pension fund investments
 4. To take decisions on those matters not to be the responsibility of the Cabinet under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 relating to those matters concerning pensions made under Regulations set out in Sections 7,12 or 24 of the Superannuation Act 1972.
6. The Pensions Regulator Code of Practice which came into force on 1 April 2015 includes a requirement for members of the Pension Committee/LPB to demonstrate that they have an appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Committee/LPB.
7. LGPS (Amendment) (Governance) Regulations 2015 states that Administering Authority must have regard to guidance issued by the Secretary of State. Guidance was issued by the Shadow Scheme Advisory Board in January 2015 and states that the Administering Authority should make appropriate training available to assist LPB members in undertaking their role. It was always the plan to adopt a training strategy that will incorporate Pension Committee member training with LPB members to keep officer time and training costs to a minimum.
8. A joint training strategy that incorporates Pension Committee member training with LPB members to keep officer time and training costs to a minimum, has been developed and agreed by the Pensions Committee on the 24 November 2015 and the Local Pension Board on the 6 January 2016. The Training Strategy can be found in **Appendix A - Annex C.**
9. The Training Strategy formally sets out the arrangements the London Borough of Havering Pension Fund will take in order to comply with the principles of the CIPFA CIPFA's Knowledge and Skills Code of Practice.

10. Training and development will be held having regard to the work plan as shown in **Appendix A - Annex B**. The training undertaken can be seen within **Appendix A - Annex D**
11. In line with the above, a report is attached as **Appendix A** and will be presented to the Full Council meeting being held in July 2016.

IMPLICATIONS AND RISKS

Financial implications and risks:

1. Training costs are met from the Pension Fund directly or via the Advisor Fee.
2. There is a considerable risk of poor decision making if Members of the Committee are not adequately trained.

Legal implications and risks:

The specialist training of those Members who oversee the administration of the Council Pension Scheme is highly desirable in order to help show the proper administration of the scheme. The Council's Constitution recommends that the Membership of the Pension Committee remains static for the life of the Council for the very reason that Members need to be fully trained in investment matters. The life of the Council is considered to be the four year term.

Otherwise there are no apparent legal implications in taking the recommended decisions.

Human Resources implications and risks:

None arising directly.

Equalities implications and risks:

None arising directly

BACKGROUND PAPERS

CIPFA Guide investment decision making and disclosure (Dec 09)
The Pensions Regulator Code of Practice 'Governance and administration of public service pension schemes'.
Shadow Scheme Advisory Board 'Guidance on the creation and operation of LPB in England and Wales'



Havering

LONDON BOROUGH

HAVING PENSION FUND

**BUSINESS PLAN/REPORT ON THE WORK
OF THE
PENSIONS COMMITTEE
DURING
2015/16**

INTRODUCTION

The Havering Pension Fund (the Fund) provides benefits to Council employees (except teachers). The performance of the Fund impacts on the cost of Council services through the cost of employer contributions. It is therefore beneficial to issue a Business Plan/Annual report to all Council Members on the Havering Pension Fund and the work of the Pensions Committee.

The Business Plan looks forward over the next three years and will be reviewed and updated annually.

This report also covers the period 1st April 2015 to 31 March 2016 and outlines:

- The work of the Pensions Committee
- Key issues arising during the course of the year

The financial position of the Havering Pension Fund for 2015/16 is featured as part of the formal Annual Report of the Fund itself and not included here. The Annual Report is prepared later in the year when the pension fund accounts have been finalised.

BACKGROUND TO THE PENSION FUND

The Council is an Administering Authority under the Local Government Pension Scheme Regulations and as such invests employee and employer contributions into a Fund in order to pay pension benefits to scheme members. The Fund is financed by contributions from employees, employers and from profit, interest and dividends from investments.

The Pension Fund has a total of 35 employers, of which the London Borough of Havering is the largest. The other employers in the fund are made of up of 27 Scheduled bodies (Academies and Further Education bodies) and 7 Admitted bodies (outsourced contracts).

The Council has delegated the responsibility for investment strategy and performance monitoring to the Pensions Committee.

The Fund's Actuary (Hymans Robertson) carried out a triennial valuation during 2013/14 based on data as at 31 March 2013. The main purpose of the valuation is to calculate the funding position within the Fund and set employer contribution rates for 2014 to 2017. The valuation prior to this date was undertaken at 31 March 2010 and a comparison of funding levels can be seen below:

Summary

Valuation date	31 March 2010	31 March 2013	Estimated Inter - valuation 30 Sept 2014
Total Liabilities	£589m	£752m	£792m
Market Value of Assets	£361m	£461m	£529m
Surplus/(deficit)	(£228m)	(£291m)	(£263m)
Funding Level	61.3%	61.2%	66.8%

The table shows that whilst the 2013 funding level has not changed from 2010 the value of the deficit has increased. This is primarily driven by the change in the value of the liabilities which has been calculated on a set of assumptions used by the Fund's Actuary. The asset returns were higher than expected but not enough to offset the growth in liabilities.

In addition to the Triennial valuation the Fund's Actuary carried out an inter-valuation update. This funding update is provided to illustrate the estimated development of the funding position from 31 March 2013 to 30 September 2014. As the above table shows, as at 30 September 2014, the funding level has increased to 66.8%. This is largely as a result of higher than expected investment returns and an additional cash contribution paid into the Fund by the Council in March 2014. The funding update does not allow for changes in individual members' data since the 2013 valuation, so the accuracy of this calculation is expected to decline over time as the period since the last valuation increases.

The next valuation will commence from 1 April 2016 based on data as at 31 March 2016. This will determine the employer contribution for the April 17 to March 2020 and the funding level.

The Fund has seven fund managers (who have specific mandates) and performance is monitored against an agreed benchmark. The Fund has adopted a benchmark for the whole of the fund of Gilts + 1.8% (net of fees).

Haverling Pension Fund uses the services of The WM Company to provide comparative statistics on the performance of this Fund.

The performance of the Fund is measured against a tactical and a strategic benchmark. The tactical benchmark is a combination of all the individual benchmarks set for each manager. The strategic benchmark for the overall fund is a liability benchmark of FTSE A Gilts over 15 years plus 2.9% (net of fees) p.a. The main factor in meeting the strategic benchmark is market performance.

In 2015/16, the overall return on the Fund's investments was **1.4%** (2014/15 13.4%). This represented an under performance of **-0.8%** against the tactical benchmark (2014/15 outperformance of 1.7%) and an under performance of **-6.9%** against the strategic benchmark (2014/15 under performance of -12.9%).

The long term strategy of the fund was to reduce exposure to equities and invest in Multi Asset strategies. The following table reflects the asset allocation split and targets against their individual fund manager benchmarks:

Asset Class	Target allocation	Investment Manager/ product	Segregated /pooled	Active/ Passive	Benchmark and Target
UK/Global Equity	12.5%	Baillie Gifford (Global Alpha Fund)	Pooled	Active	MSCI All Countries Index plus 2.5%
	6.25%	State Street Global Asset	Pooled	Passive	FTSE All World Equity Index
	6.25%	State Street Global Asset	Pooled	Passive	FTSE RAFI All World 3000 Index
Multi Asset Strategy	15%	Baillie Gifford (Diversified Growth Fund)	Pooled	Active	UK Base Rate plus 3.5%

Asset Class	Target allocation	Investment Manager/ product	Segregated /pooled	Active/ Passive	Benchmark and Target
	20%	GMO Global Real return (UCITS)	Pooled	Active	OECD CPI g7 plus 3 - 5%
Absolute Return	15%	Ruffer	Segregated	Active	LIBOR+
Property	5%	UBS	Pooled	Active	IPD All balanced (property) Fund's median +
Gilt/Investment Bonds	17%	Royal London	Segregated	Active	<ul style="list-style-type: none"> • 50% iBoxx £ non- Gilt over 10 years • 16.7% FTSE Actuaries UK gilt over 15 years • 33.3% FTSE Actuaries Index-linked over 5 years. Plus 1.25%*
Infrastructure	3%	State Street Global Assets –Sterling liquidity Fund Cash is invested pending identification of a local infrastructure project.			

*0.75% prior to 1 November 2015

UBS, SSgA, GMO and Baillie Gifford manage the assets on a pooled basis. Royal London and Ruffer manage the assets on a segregated basis. Performance is monitored by reference to the benchmark and out performance target.

Fund Managers are invited to present at the Pensions Committee Meeting every six months. On alternate dates, they meet with officers for a formal monitoring meeting. The exception to this procedure are the pooled Managers (SSgA, UBS, Baillie Gifford and GMO) and Ruffer who will attend two meetings per year, one with Officers and one with the Pensions Committee. However, if there are any specific matters of concern to the Committee relating to the Managers performance, arrangements will be made for additional presentations.

During 2015/16 The Havering Pension Fund joined the London CIV and the assets under management with Baillie Gifford for the Diversified Growth Fund was transferred to the London CIV on the 15 February 2016. Further mandates are expected to be transferred during 2016/17 in order to meet the Department of Communities and Local Government Investment reforms and mandatory pooling of assets.

FUND GOVERNANCE STRUCTURE

Day to day management of the Fund is delegated to the Chief Executive. Investment strategy and performance monitoring of the Fund is a matter for the Pensions Committee which obtains and considers advice from the authority's officers, and as necessary from the Fund's appointed professional adviser, actuary and performance measurers who attend meetings as and when required.

The terms of reference for the committee are:

- To consider and agree the investment strategy and statement of investment principles (SIP) for the pension fund and subsequently monitor and review performance
- Authorise staff to invite tenders and to award contracts to actuaries, advisers and fund managers and in respect of other related investment matters
- To appoint and review the performance of advisers and investment managers for pension fund investments
- To take decisions on those matters not to be the responsibility of the Cabinet under the Local Authorities (Functions and Responsibilities)(England) Regulations 2000 relating to those matters concerning pensions made under Regulations set out in Sections 7, 12 or 24 of the Superannuation Act 1972

The membership of the Pensions Committee reflects the political balance of the Council and following the formation of a new coalition on the 22 October 2015, the Conservative Group linked with the newly formed East Havering Residents Group, the Pensions Committee members are as follows:

Cllr John Crowder (Chair) – Conservative Group
 Cllr David Johnson (Vice Chair) – UKIP
 Cllr Melvin Wallace - Conservative Group
 Cllr Eric Munday – Conservative Group
 Cllr Roger Westwood – Conservative Group
 Cllr John Mylod – Residents' Group
 Cllr Stephanie Nunn – Residents' Group
 Cllr Clarence Barrett – East Havering Residents' Group
 Union Members (Non-voting) - John Giles (Unison), Andy Hampshire (GMB)
 Admitted/Scheduled Body Representative (voting) – Heather Foster-Byron – Employer Representative

Fund Administrator	London Borough of Havering
Actuary	Hymans Robertson
Auditors	PricewaterhouseCoopers LLP (PWC)
Performance Measurement	WM Company
Custodians	State Street Global Services

Investment Managers	Royal London Asset Management (Investment Bonds) UBS (Property) State Street Global Assets (UK/Global Equities – passive) Ruffer LLP (Multi Asset) Baillie Gifford (Global Equities) Baillie Gifford (Multi Asset diversified Growth Fund) Barings (Multi Asset Dynamic Asset Allocation Fund) until August 2014. GMO Global Real Return (UCITS) Fund (GRRUF) from January 2015) London CIV (Baillie Gifford Diversified Growth fund)
Investment Advisers	Hymans Robertson
Legal Advisers	London Borough of Havering Legal Services provide legal advice as necessary (specialist advice is procured as necessary)

PENSION COMMITTEE MEETINGS 2015/16

The Committee met a number of times during 2015/16 and **Annex A** sets out the coverage of matters considered, but the key issues that arose in the period are shown below:

Key issues arising in the period

- **Agreed 2014/15 Pension Fund Accounts**

- **Annual Report**

The Pension Fund Annual Report 31 March 2015 was produced and agreed in line with the LGPS (Administration) regulations.

- **Governance Compliance Statement**

In line with the 2008 Local Government Pension Scheme (LGPS) the Committee undertook an annual review of the Pension Fund's Governance Compliance Statement.

- **Statement of Investment Principles**

Agreed the revised version in light of some changes made to the Bond and Passive Mandates.

- **Communications Strategy**

Agreed the Communications Strategy for 2016 to 2018

- **Pension Fund Cash Management Policy**

Agreed revisions to the Policy

- **Pension Fund Risk Register**

Agreed the adoption of Risk Register

- **Whistleblowing Requirements of the Pensions Act**

An annual review was undertaken and no issues were reported.

- **Business Plan**

The Pension Fund Business Plan for 2015/16 was agreed incorporating the work of the pension committee members.

- **Admitted Bodies**

Admitted Caterlink and Accent Catering to the Fund

- **Reviewed Fund Managers quarterly performance**

- **Reviewed performance of the Pension Fund's Custodians, Investment Advisor and Actuary.**

- **Collective Investment Vehicle (CIV)**

The Committee received updates on the progress of transitioning assets to the London CIV.

PENSION COMMITTEE MEETINGS 2016/17 AND ONWARDS

In addition to the annual cyclical work programme as shown in **Annex B** there are a number of issues that are likely to be considered by the Pensions Committee in the coming year and beyond:

- Outcome of the Triennial Valuation 2016
- Funding Strategy Statement
-
- Guidance manual for officers on requirements & actions necessary to admit new employers into the fund
- Continued training and development
- London CIV Pooling updates
- DCLG Pooling outcomes
- DCLG Investment Regulation changes, including the publication of an Investment Strategy Statement (replaces Statement of Investment Principles)
- Topical issues discussed as appropriate

INTERNAL & EXTERNAL RESOURCES

The Pensions Committee is supported by the Administrating Authorities' Finance and Administration services (oneSource) and the associated costs are therefore reimbursed to the Administrating Authority by the Fund. The costs for these services form part of the Administrative and Investment Management expenses as reported in the Pension Fund Statement of Accounts. Estimates for the medium term on Administration and Investment Management expenses follow in this report.

The Pensions Administration service consists of an establishment of 9.1 full time equivalent posts.

The Finance service that supports the pension fund consists of an establishment of 2 full time equivalent posts.

FINANCIAL ESTIMATES

In June 2014 The Chartered Institute of Public Finance & Accountancy (CIPFA) produced guidance on how to account for Management costs in order that improvements in cost comparisons can be made across all funds. Management costs are now split between three cost categories as follows:

Administrative Expenses

Includes all staff costs associated with Pensions Administration, including Payroll.

	2014/15 Actual	2015/16 Estimate £000's	2015/16 Actual £000's	2016/17 Estimate £000's	2017/18 Estimate £000's	2018/19 Estimate £000's
Administration & Processing	411	356	429	430	430	430
Other Fees	7	6	6	6	6	6
Other Costs	32	32	77	80	80	80
TOTAL	450	394	512	516	516	516

Investment Management expenses

These costs will include any expenses incurred in relation to the management of fund assets. The 2014/15 figure has been restated to reflect adoption of CIPFA's Guidance on Management costs.

	2014/15 Actual (restated)	2015/16 Estimate £000's	2015/16 Actual	2016/17 Estimate £000's	2017/18 Estimate £000's	2018/19 Estimate £000's
Fund Manager Fees	2571	900	2743	2700	2700	2700
Custodian Fees	34	35	40	40	40	40
Performance Measurement services	13	13	13	13	13	13
TOTAL	2618	948	2796	2753	2753	2753

Governance and Oversight

These costs include all costs that fall outside of the other two categories and include legal, advisory, actuarial and training costs. Staff costs associated with the financial reporting and support services to the Committee is included here.

	2014/15 Actual	2015/16 Estimate £000's	2015/16 Actual	2016/17 Estimate £000's	2017/18 Estimate £000's	2018/19 Estimate £000's
Financial Services	142	142	142	142	142	142
Actuarial Fees	28	20	35	50	30	30
Audit Fees	20	21	21	21	21	21
Member training	2	10	0	10	10	10
Advisor Fees	61	50	50	50	50	50
CIV/SAB Levy	-	-	76	30	30	30
Local Pension Board	13	25	11	15	15	15
Pensions Committee	-	-	20	20	20	20
TOTAL	266	268	355	338	318	318

OVERALL TOTAL	3334	1610	3663	3607	3607	3607
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Please note the following regarding the above figures

- Takes no account of any inflationary increases
- Management and custody fees are charged according to the fund value; therefore an average figure has been applied for 2016/17 onwards.
- Based on 2015/16 fund and staffing structures.
- Local Pension Board budget has been reduced to show the training costs separately as this will be shared with the Pensions Committee.
- 2016/17

TRAINING AND DEVELOPMENT STRATEGY

Changes to the Local Government Pension Scheme (LGPS) Regulations required Administering Authorities to establish a Local Pension Board (LPB) by no later than 1 April 2015.

The Pensions Regulator Code of Practice which came into force on 1 April 2015 includes a requirement for members of the Pension Committee/LPB to demonstrate that they have an appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Committee/LPB.

LGPS (Amendment) (Governance) Regulations 2015 states that Administering Authority must have regard to guidance issued by the Secretary of State. Guidance was issued by the Shadow Scheme Advisory Board in January 2015 and states that the Administering Authority should make appropriate training available to assist LPB members in undertaking their role. It was always the plan to adopt a training strategy that will incorporate Pension Committee member training with LPB members to keep officer time and training costs to a minimum.

A joint training strategy has been developed and was agreed by the Pensions Committee on the 24 November 2015 and presented to the Local Pension Board at its meeting on the 6 January 2016. The Training Strategy can be found in **Annex C.**

The Pension Committee of the London Borough of Havering Pension Fund fully supports the intentions behind CIPFA's Knowledge and Skills Code of Practice and has agreed to formally adopt its principles. The Training Strategy formally sets out the arrangements the London Borough of Havering Pension Fund will take in order to comply with the principles of the CIPFA Code of Practice.

Pension Committee and Board members are expected to achieve a minimum level of training credits and the CIPFA's Knowledge and Skills self-assessment training questionnaire will be used to record credits attained and identify gaps in the knowledge and skills of the members.

Long membership of the committee is encouraged in order to ensure that expertise is developed and maintained within. The Council recommend that the membership of the Pension Committee remain static for the life of the term in Council, unless exceptional circumstances require a change.

PROVISION OF TRAINING

A training budget has been agreed for the provision of training for £10,000 but this will be re-evaluated as appropriate. Training costs will be met from the Pension Fund.

The majority of training and development is cyclical in nature, spanning the four year membership of the committee. Associated training and development will be given when required which will be linked to the Pension Fund meeting cyclical coverage for 2016/17 as shown in **Annex B.**

In addition to the cyclical training and development that the Committee will have over the lifetime of their membership, training will be provided in the areas where it has been specifically requested or has been identified as required. Special pension committee meetings will be arranged from time to time to discuss matters that fall outside of the cyclical meetings.

The Fund uses the three day training courses offered by the Local Government Employers which is specially targeted at elected members with Pension Fund responsibilities. All new members are encouraged and given the opportunity to attend.

Members receive briefings and advice from the Fund's Investment adviser at each committee meeting.

Members and Officers also attend seminars arranged by Fund Managers or other third parties who specialise in public sector pensions.

The Fund is a member of the CIPFA Pensions network which gives access to an extensive programme of events, training/workshops, weekly newsletters and documentation, including briefing notes on the latest topical issues.

The Pension Fund Accountant also attends quarterly forum meetings with peers from other London Boroughs; this gives access to extensive opportunities of knowledge sharing and benchmarking data.

Training and development took place during 2015/16 to ensure that Members of the Committee were fully briefed in the decisions they were taking.

Training logs are maintained and attendance and coverage can be found in **Annex D**.

The Pensions Regulator has launched an e-learning programme and this has been made available for members to use.

Training will be targeted as appropriate.

PENSIONS COMMITTEE MEETINGS HELD DURING 2015/16

ANNEX A

MONTH	TOPIC	ATTENDED BY
23 June 2015	<ul style="list-style-type: none"> Pension Fund Performance Monitoring for the quarter ending 31 March 2015, received presentations from Multi Asset managers GMO (Global Real Return) and Baillie Gifford (Diversified Growth Fund) and from Baillie Gifford (Global Equity). Noted the introduction of a Pension fund Risk Register. Noted the Business Plan/Annual report on the work of the Pensions Committee during 2014/15. Agreed to the admittance of Caterlink Ltd to the Havering Pension Fund Considered changes to the investment strategy - agreed to reduce holdings with the Global Alpha fund to increase holdings in passive equities and the adoption of a fundamental tracking index and agreed to change the outperformance target for the bond mandate. 	Cllr John Crowder (chair) Cllr David Johnson(vice chair) Cllr Roger Westwood Cllr Melvin Wallace Cllr Clarence Barrett Cllr Ray Morgon
22 September 2015	<ul style="list-style-type: none"> Pension Fund Performance Monitoring for the quarter ending 30 June 2015, received presentations from Royal London (Bonds Manager) and Ruffer (Multi Asset Manager). Noted Pension Fund Accounts for the year ending 31 March 2015. Agreed the Pension Fund Annual Report for the year ending 31 March 2015. Agreed to adopt the changes made to the Bond Manager Investment Guidelines in light of their previous decision to change the target. 	Cllr John Crowder (chair) Cllr David Johnson(vice chair) Cllr Melvin Wallace Cllr Roger Westwood Cllr Clarence Barrett Cllr Ray Morgon Cllr Stephanie Nunn John Giles (UNISON) Heather Foster-Byron (employer representative)
24 November 2015	<ul style="list-style-type: none"> Agreed the Communications Strategy for the three year period 2016 to September 2018. Noted the views of officers on the performance of the Fund's Actuary for the period April 2014 to September 2015. Noted the views of officers on the performance of the Fund's Custodian for the period October 2014 to September 2015. Noted the views of officers on the performance of the Fund's Investment Advisor for the period October 2014 to September 2015. Considered and agreed the changes to the Statement of Investment Principles Noted the results of the Whistle Blowing Annual review and that no breaches 	Cllr John Crowder (chair) Cllr David Johnson(vice chair) Cllr Melvin Wallace Cllr Roger Westwood Cllr Clarence Barrett Cllr Ray Morgon Cllr Stephanie Nunn John Giles (UNISON) Heather Foster-Byron (employer representative)

PENSIONS COMMITTEE MEETINGS HELD DURING 2015/16

ANNEX A

MONTH	TOPIC	ATTENDED BY
	<p>had been reported</p> <ul style="list-style-type: none"> • Considered and agreed changes as necessary to the Governance Compliance Statement. • Considered and agreed the Havering Pension Fund Training Strategy • Verbal update on DCLG Asset pooling 	
15 December 2015	<ul style="list-style-type: none"> • Pension Fund Performance Monitoring for the quarter ending 30 September 2015, received presentations from Baillie Gifford (Global Alpha Fund), (Diversified Growth Fund) and State street Global Assets (UK/Global Passive Manager). • Considered and agreed the revisions to Pension Fund Cash Management Policy • Considered a verbal request from officers regarding a request from UBS (Property manager) to purchase additional units. Hymans was asked to produce a briefing note and circulate to members before approval was given for the further investment to proceed. • Verbal update on DCLG asset pooling 	<p>Cllr John Crowder (chair) Cllr David Johnson(vice chair) Cllr Melvin Wallace Cllr Roger Westwood Cllr Clarence Barrett Cllr Ray Morgon Cllr Stephanie Nunn</p>
15 March 2016	<ul style="list-style-type: none"> • Pension Fund Performance Monitoring for the quarter ending 31 December 2015, received presentation from Royal London (Bonds Manager), UBS (Property Manager). • Agreed to the admittance of Accent Catering to the Havering Pension Fund 	<p>Cllr David Johnson (chair) Cllr Wendy Brice- Thompson (sub for Cllr Crowder) Cllr Melvin Wallace Cllr Roger Westwood Cllr John Mylod (sub for Cllr Nunn) Cllr Ray Morgon Cllr Clarence Barrett John Giles (UNISON) Andy Hampshire (GMB)</p>

- Please note that three members constitute a quorum.
- Target dates for issuing agendas were met.

INDICATIVE PENSIONS COMMITTEE CYCLICAL MEETINGS AND COVERAGE 2015/16					
	14 JUNE 2016	20 SEPTEMBER 2016	22 NOVEMBER 2016	13 DECEMBER 2016	14 MARCH 2017
Formal Committees with Members	<ul style="list-style-type: none"> ▪ Overall Monitoring Report on Pension Fund to end of March: <ul style="list-style-type: none"> a) GMO (Multi Asset) ▪ Business plan/ Annual report on the work of the committee ▪ Pension Fund Audit Plan 2015/16 	<ul style="list-style-type: none"> ▪ Overall Monitoring Report on Pension Fund to end of June: <ul style="list-style-type: none"> ▪ Royal London (Bonds) ▪ Ruffer (Multi Asset Absolute Return) ▪ Pension Fund Accounts 15/16 ▪ Pension Fund Annual Report 	<ul style="list-style-type: none"> ▪ Annual review of Custodian ▪ Annual review of Adviser ▪ Annual review of Actuary ▪ Review of Governance Policy ▪ Whistleblowing Annual Assessment ▪ Risk Register Review ▪ Funding Strategy Statement 	<ul style="list-style-type: none"> ▪ Overall Monitoring Report on Pension Fund to end of September: <ul style="list-style-type: none"> a) SSGA (Passive Global Equity) 	<ul style="list-style-type: none"> ▪ Overall Monitoring Report on Pension Fund to end of December: <ul style="list-style-type: none"> a) Royal London (Bonds) b) UBS (Property)
Officer Meeting	Meeting: 11 May 16 <ul style="list-style-type: none"> ▪ Royal London (Bonds) ▪ SSGA (Passive Equity Manager) 	Meeting: 17 Aug 16 <ul style="list-style-type: none"> ▪ UBS (Property) ▪ WM presentation Meeting ▪ Advisor Review ▪ Custodian Review 	No officer meeting	Meeting: 3 Nov 16 <ul style="list-style-type: none"> ▪ GMO (Multi Asset Manager) ▪ Royal London (Bonds) 	Meeting: 01 Feb 17 <ul style="list-style-type: none"> ▪ Ruffer (Multi Asset Absolute Return)
Training	Associated Training	Associated Training	Associated Training	Associated Training	Associated Training

Contents

LGPS Knowledge & Skills Training Strategy

- 1 Introduction
- 2 Meeting the business plan
- 3 Delivery of Training
- 4 On-going development
- 5 CIPFA Requirements
- 6 Guidance from the Scheme Advisory Board
- 7 Training records and certification
- 8 Risk
- 9 Budget

Introduction

This is the Training Strategy for the London Borough of Havering Pension Fund.

It sets out the strategy agreed by the Pension Committee and the Local Pension Board concerning the training and development of the members of the

- Pension Committee (the “Committee Members”);
- members of the local pension board (the “Board members”) and
- officers of the London Borough of Havering Pension Fund responsible for the management of the Fund (the “Officers”).

The Training Strategy is established to aid the Committee Members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the decision making responsibility put upon them. A code of practice and a framework of knowledge and skills has been developed by CIPFA which LGPS Funds are expected to sign up to.

The Public Service Pensions Act 2013 also requires London Borough of Havering Council to set up a Local Pension Board. The Act requires the Pensions Regulator to issue a code of practice relating to the requirements of the knowledge and understanding of Board members. Guidance on the knowledge and understanding of Local Pension Boards in the LGPS has also been issued by the Shadow Scheme Advisory Board in January 2015. Although this has not been designated as statutory guidance it should be held as good guidance and should be acknowledged.

The objective of the CIPFA knowledge and skills framework is to determine and set out the knowledge and skills sufficient to enable the effective analysis and challenge of decisions made by officers and advisers to the Pension Committee whilst the guidance for local pension boards issued by the Shadow Scheme Advisory Board is to assist the individual Board members in undertaking their role to assist the Scheme Manager (the London Borough of Havering Pension Fund) in the effective governance and administration of the local government pension scheme.

The training desired to achieve the additional knowledge and skills will be contained in the appropriate training plan(s)

Strategy Objectives

The Fund objectives relating to knowledge and skills are to:

- Ensure the pension fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Ensure the pension fund is effectively governed and administered;
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and are well based and regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government are met.

To achieve these objectives –

The Committee Members require an understanding of:

- Their responsibilities as an administering authority of a local government pension fund;

- The fundamental requirements relating to pension fund investments;
- The operation and administration of the pension fund;
- Controlling and monitoring the funding level; and
- Taking effective decisions on the management of the London Borough of Havering Pension Fund.

Board members are conversant with–

- The Regulations and any other regulations governing the LGPS
- Any document recording policy about the administration of the Fund
- and have knowledge and understanding of:
 - The law relating to pensions; and
 - Such other matters as may be prescribed

To assist in achieving these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework and Code of Practice to meet the skill set within that Framework. Attention will also be given to the guidance issued by the Shadow Scheme Advisory Board, the Pensions Regulator and guidance issued by the Secretary of State. So far as is possible, targeted training will also be provided that is timely and directly relevant to the Committee's and Board's activities as set out in the Fund's 3-year business plan. For example, funding training will be given immediately preceding the Committee or Board meeting that discusses the Funding Strategy Statement.

Board members will receive induction training to cover the role of a local pension board and understand the duties and obligations of a LGPS administering authority, including funding and investment matters.

All those with decision making responsibility in relation to LGPS pension matters and Board members will:

- have their knowledge measured and assessed;
- receive appropriate training to fill any knowledge gaps identified; and
- seek to maintain their knowledge.

Application of the training strategy

This Training Strategy will apply to all Committee Members and representatives with a role on the Pension Committee and to all the Board members. Other officers involved in the management and administration of the Fund will have their own sectional and personal training plans and career development objectives.

Purpose of training

The purpose of training is to:

- Equip people with the necessary skills and knowledge to be competent in their role;
- Support effective and robust decision making;
- Provide individuals with integrity;
- Meet the required needs in relation to the Fund's objectives.

Summary

This training strategy:

- Assists in meeting the Fund's objectives;
- Meets the business plan;
- Will assist in achieving delivery of effective governance and management;
- Will equip those responsible with appropriate knowledge and skills;
- Promote ongoing development of the decision makers;
- Lead to demonstrating compliance with the CIPFA Knowledge and Skills Framework;
- Lead to demonstrating with statutory requirements and associated guidance

Meeting the business plan

Timely and relevant

There will be times in the year when different circumstances will require specific training. For example, funding training can be provided just prior to the Committee meeting that discusses the Funding Strategy Statement.

It is vital that training is relevant to any skills gap or business need and training should be delivered in a manner that fits with the business plan.

The training plan will therefore be regularly reviewed to ensure that training will be delivered where necessary to meet immediate needs to fill knowledge gaps.

Delivery of Training

Training resources

Consideration will be given to various training resources available in delivering training to the Committee Members, Board members or officers in order to achieve efficiencies. These may include but are not restricted to:

For Pension Committee and Local Pension Board Members	For Officers
<ul style="list-style-type: none"> • In-house* • Self-improvement and familiarisation with regulations and documents • The Pension Regulator's e-learning programme • Attending courses, seminars and external events • Internally developed training days and pre/post Committee/Board sessions* • Shared training with other Funds or Frameworks* • Regular updates from officers and/or advisers* • Circulated reading material 	<ul style="list-style-type: none"> • Desktop / work based training • Attending courses, seminars and external events • Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI) • Internally developed sessions • Shared training with other Funds or Frameworks • Circulated reading material

*These may be shared training events for Pension Committee and Local Pension Board members

Training Plans

To be effective, training must be recognised as a continual process and will be centred on 3 key points

- The individual
- The general pensions environment
- Coping with change and hot topics

Training Plans will be developed at least on an annual basis, as per the Business Plan. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, Fund events (e.g. the triennial valuation) and receipt of updated guidance.

Induction Training will be provided for all new officers with pensions responsibilities, members of the Pension Committee and Local Pension Board. This will involve covering the requirements of the Training Strategy alongside guidance and information on the requirements of their roles..

External Events

As information on events becomes available, members will be advised by email.

After attendance at an external event, Committee Members and Board members will be expected to provide verbal feedback at the following Pension Committee/Board meeting covering the following points:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other Pension Board members.

Officers attending external events will be expected to report to their direct line manager with feedback covering the following points:

- Their view on value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other officers.

On-going development

Maintaining knowledge

In addition to undertaking on-going assessment in order to measure knowledge and skills against the CIPFA requirements and identify knowledge gaps, Officers, Committee Members and Board members are expected to maintain their knowledge of on-going developments and issues through attendance at external events and seminars.

Appropriate attendance at events for representatives of the Pension Committee and Board will be agreed by the appropriate chairman.

If an event occurs and appropriate, members will be advised by email.

The Committee/Board will approve an appropriate level of credits for attendance at an event in relation to the type of event, its content and relevance to knowledge maintenance.

In any event, attendance at events/seminars (which may include some internal training sessions) that are not direct training courses focussed on the CIPFA Knowledge Skills Framework or issued guidance but enhance and improve related on-going and emerging pension knowledge will count as one credit for each session of up to a half day.

Where the Committee/Board members have work related experience or previous knowledge through former membership of a Committee or Board will be able to count this as credits in their own assessment and score accordingly.

There is a practical recognition that it will take a newly appointed member a reasonable period to attain the required full level of knowledge and understanding and hence the training and continued development will span the duration of the role.

Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which a decision is to be made by the Pension Committee in the near future or is subject to review by the Local Pension Board. These will also count as credits in maintaining knowledge.

As a measure of training given or knowledge level officers, Committee Members and Board members are expected to have a minimum level of training credits. These are as follows -

Relevant Group	Knowledge Skills - level of attainment	The expected minimum level of credits over the 4 year term of office
Officers	Own sectional and personal development objectives	Own sectional and personal development objectives
Pension Committee and Local Pension Board Members	32 credits	8 credits

These will be measured and monitored annually by Pension Fund Accountant and reported in the Pension Fund Annual Report. Please see the appendix Knowledge and Skills – self assessment of training needs for basis of scoring.

CIPFA Requirements

CIPFA Knowledge & Skills Framework

In January 2010 CIPFA launched technical guidance for Elected Representatives on Pension Committees and non-executives in the public sector within a knowledge and skills framework. The Framework covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

The Knowledge and Skills Framework sets the skill set for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS Funds.

CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")

First published in October 2011 and redrafted in July 2013, CIPFA's Code of Practice embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
- ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year.

The Pension Committee of the London Borough of Havering Pension Fund fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. This Training Strategy formally sets out the arrangements the London Borough of Havering Pension Fund will take in order to comply with the principles of the CIPFA Knowledge and Skills Code of Practice.

Guidance from the Scheme Advisory Board

General Principles

The Shadow Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's code of practice and published in January 2015 guidance in a local government context for administering authorities to support them in establishing their local pension board and this includes a section to enable it to help Board members to meet their knowledge and understanding obligations.

Knowledge and understanding must be considered in the light of the role of a Local Pension Board and the London Borough of Havering will make appropriate training available to assist and support Board members in undertaking their role.

Pension Committee Members

Although the CIPFA knowledge and skills framework complements the code of practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of a Pension Committee. However it will be seen as good practice and governance if members of a Pension Committee use the knowledge and skills requirements set at a similar benchmark as the Local Pension Board.

Degree of Knowledge and Understanding

The role of the Local Pension Board is to assist the administering authority. To fulfil this role, Board members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or codes of practice.

Board members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the London Borough of Havering Fund in enough detail to know where they are relevant and where it will apply.

Acquiring, Reviewing and Updating Knowledge and Understanding

Board members should commit sufficient time in their learning and development and be aware their responsibilities immediately they take up their position. London Borough of Havering will therefore provide induction training for all new Board members which will also be available to new Committee Members.

Flexibility

It is recognised that a rigid training plan can frustrate knowledge attainment when it is required for a particular purpose or there is a change in pension's law or new responsibilities are required of Board members. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.

Training records and certification

Progress and achievement

Personalised training plans will be used to document and address any knowledge gaps and update areas of learning where required and assist in the acquisition of new areas of knowledge in the event of change.

Progress and achievement will be certificated at least on an annual basis individually to all Committee Members, Board members and officers. These will detail:

- The current assessment of an individual's acquired knowledge;
- Their progress against achieving the credits from other internal/external training or events; and

- All training courses and events attended by them to date.

Risk

Risk Management

The compliance and delivery of this training strategy is at risk in the event of –

- Frequent changes in membership of the Pension Committee or Pension Board
- Poor individual commitment
- Resources not being available
- Poor standards of training
- Inappropriate training plans

These risks will be monitored by officers within the scope of this training strategy and be reported where appropriate.

Budget

Cost

A training budget will be agreed and costs will be met from the Pension Fund.

PENSIONS COMMITTEE MEMBER TRAINING 2015/16

ANNEX D

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
15 April 2015	DG publishing – “Question Time”: The future of Local authority Pension Funds	London	KSF 1	Free	Cllr Stephanie Nunn
21 April 2015	GMO Investor Conference	Hilton London Tower Bridge, 5 more London Place	KSF 5	Free	Cllr John Crowder (Chair) Cllr Stephanie Nunn
24 April 2015	Local Government Association – Shadow Scheme Advisory Board event – Update on what the SSAB has been doing since Summer 2013 and priorities for the future	Local Government House, Smith Square, London	KSF 1	Free	Cllr Stephanie Nunn
23 June 2015	Hymans - Investment Strategy Principles and Fundamental Indexation vs. Market Cap	Town Hall - prior to Pensions Committee meeting	KSF 5	Included in investment adviser fees	Cllr John Crowder (Chair) Cllr David Johnson (vice chair) Cllr Melvin Wallace Cllr Roger Westwood Cllr Ray Morgon Cllr Clarence Barrett Cllr Philip Hyde (Observer)
12 Aug 2015	Officers - Local Pension Board Induction covered: <ul style="list-style-type: none"> ○ Brief overview of the havering Pension fund ○ How the scheme is funded ○ Governance Structure 	Town Hall – Prior to Local Pension Board meeting	KSF 1,2,4,5 & 6	Officer Time	Cllr David Johnson (vice chair) Cllr Stephanie Nunn

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
	<ul style="list-style-type: none"> ○ Key parties in the Fund ○ Investment Monitoring ○ Strategy documents ○ Valuation ○ LPB reporting requirements 				
22 September 2015	Officers - Pension Fund Accounts Briefing covered: - overview of the Pension Fund Accounts	Town Hall – prior to Pensions Committee meeting	KSF 2	Officer Time	Cllr John Crowder (Chair) Cllr Ray Morgon Cllr Clarence Barrett John Giles
13 October 2015	CIPFA Pensions Network Autumn workshop, covered: <ul style="list-style-type: none"> ○ National Framework Update ○ Pension fund KPI's ○ Funding the cost of LGPS Administration costs ○ Local Pension Boards – story so far ○ Local Pension Board Regulator update 	London -Sponsored by Amundi	KSF 1	Pre-paid space (part of subscription)	Cllr John Crowder (Chair) (limited pre-paid places – offered to chair only)
16 October 2015	Local Government Association – Pooled investments	Local Government House, Smith Square, London	KSF 1	Free	Cllr John Crowder (Chair) – chair only invited
19 November 2015	SPS Conferences - Local Authority Pension Fund Investment Strategies covering: <ul style="list-style-type: none"> ○ Pooling (GMO) ○ Investment collaboration ○ Performance measurement 	Le Meridian, London	KSF 4,5 & 6	Free	Cllr Stephanie Nunn

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
	within LGPS (WM) <ul style="list-style-type: none"> ○ Looking ahead to 2016 actuarial valuation 				
26 November 2015	DG publishing – “Question Time”: Collaboration & the London CIV	London	KSF 1	Free	Cllr Stephanie Nunn
6 January 2016	Hymans- Fund’s Actuary delivered - TUPE Transfer Training, covered: <ul style="list-style-type: none"> • What is TUPE • Pension Protection & Regulations • Admission bodies documents & securities • Cessations 	Town Hall – prior to Local Pension Board meeting	KSF 6	£3,500	Cllr John Crowder (chair) Cllr Ray Morgon Cllr Stephanie Nunn Cllr Melvin Wallace
17 March 2016	SPS Conferences - Local Authority Pension Fund Investment Strategies covering: <ul style="list-style-type: none"> ○ LGPS Pooling update ○ Topical Investment Themes ○ LGPS Funding ○ LGPS Panel Session – Other pension fund priorities 	Le Meridian, London	KSF 4,5 & 6	Free	Cllr Stephanie Nunn Cllr David Johnson

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