



City of Westminster

Committee Agenda

Title: Pension Board

Meeting Date: Wednesday 5th September, 2018

Time: 6.30 pm

Venue: Room 3.9, 3rd Floor, 5 Strand, London, WC2 5HR

Members: **Councillors:**

Angela Harvey
Guthrie McKie

Employer Representative:

Marie Holmes

**Scheme Member
Representatives:**

Terry Neville
Christopher Smith
Chris Walker

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at 5 Strand from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Toby Howes, Senior Committee and Governance Officer.

**Tel: 020 7641 8470; Email: thowes@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Director of Law in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN/MEMBERSHIP

To elect a Chairman and Vice-Chairman of the Pension Board.

2. DECLARATIONS OF INTEREST

To receive any declarations by Members and Officers of the existence and nature of any personal and prejudicial interests in matters on this agenda.

3. MINUTES

To approve the Minutes of the Pension Board meeting held on 29 January 2018.

(Pages 3 - 8)

4. PENSION ADMINISTRATION UPDATE

Report of the Director of People Services.

(Pages 9 - 22)

5. LONDON COLLECTIVE INVESTMENT VEHICLE GOVERNANCE REVIEW

Report of the City Treasurer.

(Pages 23 - 28)

6. PENSION BOARD FORWARD PLAN

Report of the City Treasurer.

(Pages 29 - 32)

7. ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

**Stuart Love
Chief Executive
30 August 2018**



CITY OF WESTMINSTER

MINUTES

Pension Board

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Pension Board** held on **Monday 29th January, 2018**, Room 3.4, 3rd Floor, 5 Strand, London WC2N 5HR.

Members Present: Dr Norman Perry (Chairman and Scheme Member Representative), Councillor Angela Harvey (Vice-Chairman and Employer Representative), Marie Holmes (Employer Representative), Susan Manning (Scheme Member Representative) and Christopher Smith (Scheme Member Representative).

Others Present: Phil Triggs (Tri-Borough Director of Treasury and Pensions), Matthew Hopson (Senior Finance Manager – Treasury), Yvonne Thompson-Hoyte (Senior Finance Manager – Pensions), Joanne Meagher (Head of Operational People Services), Sarah Hay (Pensions and Payroll Adviser) and Toby Howes (Senior Committee and Governance Officer).

Apology for Absence: Councillor Adnan Mohammed.

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3 MINUTES

3.1 RESOLVED:

That the Minutes of the meeting held on 13 November 2017 be signed by the Chairman as a correct record of proceedings.

4 PENSION ADMINISTRATION UPDATE

4.1 Joanne Meagher (Head of Operational People Services) presented the report and advised that the key performance indicators (KPIs) appendix covered an extra month, covering September to December 2017. All KPIs were now rated green apart from deferred benefits which was attributable to one case not

being resolved within the target deadline. Joanne Meagher stated that she was satisfied with Surrey County Council's (SCC) performance which continued to go in the right direction. In the case of BT's performance, the Board was advised that BT had now taken on processing urgent leavers and early indications were this was working well, although this would continue to be monitored. For other leavers, People Services were checking reports for accuracy before determining when this interface could go live. However, Joanne Meagher felt that BT's performance was moving in the right direction overall and most KPIs were green.

- 4.2 During discussions, Members commented that they were pleased with the progress made and thanked People Services for their efforts. In respect of the new payroll provider, Hampshire County Council (HCC), who were due to take over from BT later in the year, Members asked if their regulatory processes were similar to the City Council's and would aligning these be straightforward. It was asked whether Members could see what processes and platforms HCC used for pension related matters, although it was acknowledged that some data may be confidential.
- 4.3 The Chairman asked whether the data BT was providing was now of better quality and had staffing improved. He also sought views as to whether HCC and SCC would be a good fit as a working relationship.
- 4.4 In reply to the issues raised by Members, Sarah Hay (Pensions and Payroll Adviser) advised that the main issue had been the quality of files produced by BT, however this had improved, whilst staff were also performing better as they gained more knowledge. In respect of HCC, Sarah Hay felt that they would work well with HCC. Joanne Meagher added that the local authority had extensive experience, employing around 70,000 people and also providing payroll services for Hampshire Police, Hampshire Fire Services and Oxfordshire County Council. The Board noted that People Services were due to visit HCC on 2 February to discuss arrangements. Joanne Meagher confirmed that a Risk Register would continue to be maintained and that the City Council would go through the same processes as HCC. The Board would have the opportunity to view these and any data that was publically available would be provided.
- 4.5 Members asked what steps were being taken in respect of membership of the Board, especially as some members were due to step down at the end of their three year appointments.
- 4.6 In reply, Sarah Hay advised that non-councillor members of the Board had been written to asking of their future intentions and in terms of replacing members who will be stepping down, pensioners and staff would be contacted in respect of filling vacancies in the next two months and the work of the Board would be promoted.
- 4.7 The Board welcomed the proposals in respect of Board membership and the importance of training and the induction for new members was emphasised. It was also suggested that a link to the Board be added on the website.

4.8 Phil Triggs (Tri-Borough Treasury and Pensions Director) advised that a date for the Pension Fund Annual General Meeting was to be confirmed shortly and he would liaise with the Chairmen of the Pension Fund Committee and the Board on this.

5 LONDON COLLECTIVE INVESTMENT VEHICLE GOVERNANCE REVIEW

5.1 Matthew Hopson (Senior Finance Manager – Treasury) presented the report and advised that the key points from the review included:

- Concern that engagement of a wide stakeholder base leads to conflicting priorities and that the London Collective Investment Vehicle's (CIV) Investment Advisory Committee and the Joint Committees needed to be more focused
- Lack of transparency in a number of areas
- Concern that the CIV is underfunded and under resourced.

5.2 Matthew Hopson advised that the review had made a number of recommendations, including establishing more concise statements of purpose, greater use of sub-committees and increasing resources in the Secretariat, as well as creating more transparency.

5.3 During discussions, Members sought details on the Pension Fund Committee's response to the London CIV governance review. Concern was expressed about the resourcing of the CIV and whether there were sufficient democratic processes in place. Members acknowledged that the London CIV was lagging in progress compared to other investment pooling vehicles and it was asked whether it was possible that the Westminster Pension Fund could join an alternative pooling vehicle. Members asked if direct comparisons with other pooling vehicles could be made. It was also commented that there was a lack of information on the CIV's support and administration costs and it was suggested that savings made from the funding portfolios could contribute to bolstering resources.

5.4 In reply to the issues raised, Matthew Hopson advised that the Pension Fund Committee had concerns about the London CIV's governance review and the lack of progress to date. The Committee had requested that the Chief Executive of the London CIV attend its next meeting. Matthew Hopson also advised that it was not currently permissible to join more than one investment pool.

5.5 Phil Triggs added that although the Pension Fund Committee was not satisfied with the London CIV's progress to date, it recognised that there were no practical alternatives in terms of other investment pools. However, he agreed to look into this matter further. The Committee was also concerned that there were no immediate plans to fill the vacant Chief Investment Officer post. Phil Triggs commented that although the London CIV offered sizeable savings, this was weighed up against costs which the City Council needed to be mindful of. It was also difficult to make direct comparisons with other pooling vehicles as there was no uniform solution. The Board noted that the London CIV was in the process of responding to the governance review.

5.6 The Chairman felt that there needed to be more scrutiny of London CIV arrangements. He suggested that Board Members attend the next Pension Fund Committee and be given the opportunity to raise questions in respect of the London CIV.

5.7 **RESOLVED:**

That the governance review of the London CIV be noted.

6 **TRIENNIAL VALUATION**

6.1 Matthew Hopson introduced the report that had been requested by the Board at its last meeting and advised that the recommendations of the 2016 actuarial triennial valuation were in the first year of implementation. He drew Members' attention to the Investment Strategy as set out in the valuation.

6.2 Members noted the wide variations in respect of primary rates contributions and also enquired whether there were mortality rate assumptions made during the valuation.

6.3 In reply, Matthew Hopson confirmed that there had been mortality rate assumptions for the valuation. Phil Triggs added that life expectancy had plateaued after the increases of previous years and the actuary's mortality rate assumptions were locally specific in respect of the City Council's employees.

6.4 **RESOLVED:**

That the final Actuarial report for 2016 summarising the processes that have taken place and the final contribution rates for the Future and Past service contributions for Westminster City Council and all Admitted and Scheduled bodies be noted.

7 **PENSION BOARD RISK REGISTER AND FORWARD PLAN**

7.1 Yvonne Thompson-Hoyte (Senior Finance Manager – Pensions) presented the report and advised that the Fund had met the 3 January deadline to successfully opt up to elective professional client status with all counterparties and so the associated risk had been deleted from the Risk Register. However, two risks had been added in respect of each counterparty being subject to a review of their elective professional client status and that the Fund may be categorised as retail client status by other financial institutions that the Fund may deal with in future.

7.2 The Chairman thanked officers for achieving professional client status for all counterparties and sought clarification that the appointment of a new fund manager would require another application for professional client status. He commented that risk 16 in the Risk Register regarding the London CIV may need to be upgraded in light of its Governance Review report. The Board

agreed that a risk in respect of the new Data Protection Regulations needed to be added to the Risk Register.

7.3 In reply to queries raised by Members, Yvonne Thompson-Hoyte confirmed that an application for professional client status would be required each time a new fund manager was appointed. Phil Triggs acknowledged that risk 16 in the Risk Register was likely to require upgrading.

7.4 Members concurred that the Board should continue to meet four times a year in order to mirror the frequency of Pension Fund Committee meetings.

7.5 **RESOLVED:**

That the changes to the Risk Register and Forward Plan be noted.

8 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

8.1 On behalf of the Board, the Chairman thanked Susan Manning for her contributions to the Board as she would now be standing down from her role as a member.

8.2 Yvonne Thompson-Hoyte advised that she would circulate details of a Local Pension Boards Seminar taking place on 26 February to the Board.

The Meeting ended at 8.36 pm.

CHAIRMAN: _____

DATE _____

This page is intentionally left blank



City of Westminster

Pension Board

Date:	5th of September 2018
Classification:	General Release
Title:	Pension Administration Update
Report of:	Jo Meagher, Head of Operational People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1.** This report provides a summary of the performance of the City Council, Surrey County Council and BT. The report gives an update on the Key Performance Indicator (KPI) performance of the pension administrators Surrey County Council (SCC) for the period April 2018 to July 2018. The detailed KPIs are shown in Appendix 1.

2. Surrey County Council (SCC) Performance

- 2.1.** The scope of the KPIs in this report have been agreed between WCC and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including committee members.
- 2.2.** This paper covers the period of April to July 2018 as it has been a few months since the Pension Board last met. August KPI figures would not be available at the time of writing this report.
- 2.3.** Since the last pension board meeting, Jason Bailey, the pension manager of Surrey CC has left his position. Surrey have appointed a new manager named Michael Mann and he is due to start employment on the 1st of October 2018. In the interim, People Services have been in regular contact with Clare Chambers who has been appointed as a service delivery manager for our contract. Overall contact with Surrey remains positive.
- 2.4.** Since the last pension board meeting Westminster has held its Pensions AGM on the 12th of April in the Strand offices. We have also run three individual

pension surgery sessions for staff. Feedback by staff has overall been positive. Staff wanted to talk about a number of issues but primarily, retirement options including flexible retirement, enhancing their pension benefits, transferring in additional service and understanding their annual benefit statement.

- 2.5. KPI performance in appendix 1 is summarised below:
- 2.6. The pension administration report would normally contain some detail on the trends relating to the Key Performance Indicators as outlined in Appendix 1. The KPI data is however showing little movement in trend to report to you. The figures show that everything is currently being completed within timescale. The main change within this period would be that notification to people with a deferred benefit due for payment is now going out to members within 2 months of the due date of the pension and this was not being met previously.
- 2.7. Annual Benefit Statements (ABS) for the year ending 31st of March 2018, have been published online by 31st of August 2018 as per regulatory requirements. WCC have promoted via the internal wire employees accessing their pension annual statement via the pension fund website. Other fund employers have also been asked to promote to their staff. Surrey have e-mailed fund members where they have e-mail addresses to ask them to register and internally Unison have been asked to promote with their members. In later pension board reports we hope to advise you of the number of members who have applied for self serve access and the approximate number of pension statements that have been viewed online.

3. BT Performance

- 3.1 BT have been completing urgent pension leaver forms as requested by People Services. BT have sometimes been chased to complete forms in order that a members benefits can be released.
- 3.2 People Services had notified the pension committee that in the May payroll run BT had over deducted pension contributions for over 200 people. BT have admitted that they had not applied a previous solution to the payroll to account for April arrears being paid. The issue was corrected and pay issues impacting pensions are nominally low in the following months.
- 3.3 BT did provide end of year files to Surrey by the end of June 2018 following a checking process involving People Services staff. As above Surrey have produced ABS from the return on time which are available online for fund members. There are no known data issues to report in regards to the end of year file and the subsequent ABS.

4. Move to Hampshire City Council (HCC)

- 4.1 The Pension Board should note that WCC are in the process of moving backline HR, payroll and finance services from BT to a shared service arrangement with

HCC. People Service has had to direct much of it's resource to the transfer of service and the transitional period is likely to be testing once the new service does go live. People Services are committed to working with HCC to make the new service successful.

5. Summary

- 5.1** The Pension Administration service overall remains positive. Surrey KPI data is of an acceptable standard. The focus of People Services going forward into the autumn months will be on the new service provision with HCC.

This page is intentionally left blank

Westminster County Council - April to July 2018 Res

Description	Target time/date as per Partnership Agreement	Target	Actual Score for Quarter
Pension Administration			
Death Benefits Notify potential beneficiary of lump sum death grant	5 days	100%	%
Write to dependant and provide relevant claim form	5 days	100%	%
Set up any dependants benefits and confirm payments due	14 days	100%	%
Retirements Retirement options issued to members	5 days	100%	%
New retirement benefits processed for payment following receipt of all necessary documents	5 days	100%	%
Pension Payment, member to paid on the next available pension payroll following receipt of all necessary documentation	Next available pay run		%
Refunds of Contributions Refund paid following receipt of claim form	14 days	100%	%
Deferred Benefits Statements sent to member following receipt of leaver notification	30 days	100%	%
Notification to members 2 months before payments due	2 months		%
Lump Sum (on receipt of all necessary documentation)	5 days		%

Pension Payment, member to paid on the next available pension payroll following receipt of all necessary documentation	Next available pay run		%
New Joiners			
New starters processed	30 days	100%	%
Transfers In			
Non LGPS transfers-in quotations	30 days	100%	%
Non LGPS transfers-in payments processed	30 days	100%	%
Transfers Out			
Non LGPS transfers-out quotations processed	30 days	100%	%
Non LGPS transfers out payments processed	30 days	100%	%
Interfunds In - Quotations	30 days	100%	%
Interfunds In - Actuals	30 days	100%	%
Interfunds Out - Quotations	30 days	100%	%
Interfunds Out - Actuals	30 days	100%	%
Estimates			
1-10 cases	5 Days		%
11-50 cases	Agreed with WCC		%
51 cases or over	Agreed with WCC		%
Material Changes			
Any changes to data which materially affect actual or potential benefits to be processed within 30 days of receiving all necessary data	30 days		%
Buying Additional Pensions			
Members notified of terms of purchasing additional pension	15 days		%
Monthly Pensioner Payroll			
Full reconciliation of payroll and ledger report provided to WCC	Last day of month		
Issue of monthly payslips	3 days before pay day		
RTI file submitted to HMRC	3 days before pay day		
BACS File submitted for payment	3 days before pay day		
P35	EOY		

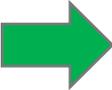
Annual Exercises			Date Achieved
Annual Benefit Statements Issued to Active members	31 August each year		
Annual Benefit Statements Issued to Deferred members	31 August each year		
P60s Issued to Pensioners Non LGPS transfers-in quotations processed within 20 days	31 May each year		
Apply Pensions Increase to Pensioners	April each year		
Pensioners Newsletter	April each year		
Customer Service			
Correspondence			
Acknowledgement if more than 5 days	2 days		
Response	10 days		
3rd party enquires	10 days		
Helpdesk Enquiries			
Volumes of Enquiries Handled By Helpdesk	Number of Enquiries Handled		
Customer Surveys			
Monthly survey to retirees	Percentage Satisfied with Service		

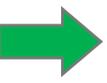
Results on KPI Reporting

Quantity April 2018	Actual Score April 2018	Comments	Quantity May 2018	Actual Score May 2018	Comments	Quantity June 2018	Actual Score June 2018
0	N/A		11	91%	1 case late	0	N/A
2	100%		4	75%	1 case late	3	100%
0	N/A		1	100%		0	N/A
5	100%		7	100%		1	100%
10	100%		7	100%		1	100%
10	100%		7	100%		1	100%
6	100%		2	100%		5	100%
5	100%		12	100%		10	100%
24		Target is 2 months before due date but issued 5 weeks before in April	49		Target is 2 months before due date but issued 6 weeks before in May	50	
14	100%		29	100%		13	100%

14	100%		29	100%		13	100%
7	100%		0	N/A		4	100%
1	100%		1	100%		3	100%
0	N/A		0	N/A		0	N/A
5	100%		9	100%		3	100%
0	N/A		1	100%		1	100%
3	100%		1	100%		1	100%
0	N/A		0	N/A		0	N/A
7	100%		5	100%		7	100%
7	100%		5	100%		7	100%
1	100%		2	100%		6	100%
	N/A			N/A			N/A
	N/A			N/A			N/A
34	100%		62	100%		15	100%
	100%			100%			100%
	100%			100%			100%
	100%			100%			100%
	100%			100%			100%
	31-Mar-18			31-Mar-18			31-Mar-18

	Annual			Annual			Annual
	Annual			Annual			Annual
	100%	Issued April 2018		100%	Issued April 2018		100%
	100%			100%			100%
	100%			100%			100%
		Issued March 2018			Issued March 2018		
8	100%		15	100%		5	100%
1	N/A	100%	2	N/A	100%	7	N/A
386	-	95% FPF rate	393	-	95% FPF Rate	381	-
	N/A	Surveys issued April 2018		N/A	Surveys issued April 2018 - to be analysed 1 July 2018		86%

Comments				Trend	People services Comments
Quantity July 2018	Actual Score July 2018	Comments			
0	N/A			1 case late in May but no cases in June and July measured.	
2	100%				
0	N/A			no cases in June and July.	
3	100%				
0	N/A				
0	N/A				
7	100%				
7	100%				
Target is 2 months before due date but issued 6 weeks before in June	23	Target is 2 months before due date. All on time as processed 8-9 weeks before in July		Improvement that Surrey have made in sending out option forms for deferred benefits into payment within 2 months.	
17	100%				

	17	100%		
	0	N/A		
	0	N/A		
	0	N/A		no cases in period.
	4	100%		
	4	100%		
	2	100%		
	0	N/A		no cases in period.
	8	100%		
	7	100%		
	3	100%		
		N/A		no cases in period.
		N/A		no cases in period.
	24	100%		
		100%		
		100%		
		100%		
		100%		
		31-Mar-18		

		Annual	These are underway and due to be completed for deadline
		Annual	These are underway and due to be completed for deadline
Issued April 2018		100%	Issued April 2018
		100%	
		100%	
Issued March 2018			Issued March 2018
	10	100%	
100%	3	N/A	100%
89% FPF rate	339	-	91% FPF rate
		N/A	Sureys issued July 2018 - to be analysed 1 October 2018

This page is intentionally left blank



City of Westminster

Pension Board

Date:	5 September 2018
Classification:	General Release
Title:	London Collective Investment Vehicle Governance Review
Wards Affected:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	Although no direct impact on the general fund, the Pension Fund has in excess of £500m invested directly with the London CIV and consequently has vested interests in good governance arrangements
Report of:	Steven Mair City Treasurer smair@westminster.gov.uk 020 7641 2904

1. EXECUTIVE SUMMARY

1.1 This paper updates the Board on:

- a. The progress made on the review of the London Collective Investment Vehicle (LCIV) governance.
- b. The report highlights a number of issues discussed at the LCIV annual general meeting held on 12 July 2018.
- c. Brief overview of the recent investment propositions to be launched with the LCIV in the coming months.

2. RECOMMENDATIONS

2.1 That the Board notes:

- a. The LCIV update in this report.

3. LONDON CIV GOVERNANCE UPDATE AND AGM

- 3.1 After the London CIV (LCIV) approved its new governance structure at the Pensions Sectoral Joint Committee (PSJC), it has begun taking steps to implement it. This included the creation of a Shareholders Committee that will report to the Board, with the two non-executive directors to be appointed to the Board by London Local Authorities.
- 3.2 Discussions of the memberships of these governance structures have been ongoing with nominations presented at the LCIV AGM where Committee Chairs were able to vote on proposals. The new governance framework was approved and the new Shareholder Committee (replacing the PSJC) is expected to hold its first meeting in mid-October, a slightly later date than first envisaged to ensure the maximum number of members can attend.
- 3.3 There were amendments to the Shareholders Agreement and Terms of Reference that reflects the changes in governance structure which will need to be signed by the Pension Fund Committee Chairman. The first two Shareholder Committee meetings will provide a sounding board for work on the Medium Term Financial Strategy (MTFS) and Business Plan which comes to the next general meeting of all shareholders in late January 2019. The MTFS is essentially a rolling “road map” for the development of LCIV. This will make use of the work undertaken over the last few months to map LLA asset strategies onto a potential London CIV. The final version of the Responsible Investment Strategy is also expected to be an item for the Shareholder Committee agenda.
- 3.4 One other issue that was agreed by all shareholders was the guarantee of the pensions liability for LCIV staff. Currently LCIV is an admitted body to the City of London Pension Fund, whose wish is that all shareholders in the LCIV should assume an equal responsibility of the liability guarantee. All shareholders must now sign the agreement, otherwise alternative options to insure against this guarantee will be considered.

Written notice to approve dissolution of the PCSJC

- 3.5 To implement the change, all London Local Authorities need to sign the written notice agreeing to the dissolution of the PCSJC.
- 3.6 The company report and financial statements for the year ended 31 March 2018 were also approved, as was the Regulatory Capital Statement.

London CIV Board Appointments

- 3.7 Cllr Stephen Alambritis and Cllr Ravi Govindia CBE were appointed as Non-Executive Directors of London CIV, subject to FCA approval. The name of the Treasurer Observer on the Board is to be confirmed.

Membership of the Shareholder Committee

- 3.8 Membership of the Shareholder Committee are as follows:

Councillors

Cllr Antonia Cox (Westminster)

Cllr Robert Chapman (Hackney)

Cllr Yvonne Johnson (Ealing) – expected to be elected by the members of the Committee as Committee Chair

Cllr Elaine Norman (Redbridge)

Cllr Mark Shooter (Barnet)

Cllr Keith Onslow (Bromley)

Cllr Jill Whitehead (Sutton)

Andrew McMurtrie (City of London)

Alternatives

Cllr Simon Hall (Croydon)

Cllr Nina Parekh (Harrow)

Cllr Dough Taylor (Enfield)

Nick Bensted-Smith (City of London)

Treasurers, nominated via the Society of London Treasurers

Caroline Holland (Merton)

Ian Williams (Hackney)

Gerald Almeroth (Sutton)

Duncan Whitfield (Southwark)

Trade Union Observer

Chris Cooper

4. INVESTMENT STRATEGY UPDATES

Fixed Income

4.1 LCIV has recently launched five new sub-funds in fixed income as listed below:

- LCIV MAC (multi-asset credit) Fund: £344m at launch. The fund aims to utilise a range of long only strategies across a range of fixed income investment to generate returns during different market cycles.
- LCIV Global Bonds Fund: A traditional global bonds fund that seeks to minimise turnover and secure quality bond purchases with low risk of default.
- LCIV Global Liquidity Loans Fund: Floating rate loans fund providing more secure covenant opportunities than a traditional bond portfolio.
- LCIV Private Debt Fund: Illiquid Loans that provide higher returns at the cost of less liquidity and higher perceived risk.
- LCIV Long/Short MAC: A multi asset credit fund that also takes short positions on debt as opposed to only long positions.

4.2 Currently, the Westminster's fixed income portfolio is solely with the recently acquired buy and maintain portfolio with Insight. At its meeting on 20 August 2018, the Pensions Committee approved an allocation to the LCIV MAC Fund which will be sourced from the Equities allocation in the portfolio. The Pension Fund Committee will explore other fixed income strategies in future strategy reviews.

Sustainable Equity

4.3 LCIV Sustainable Equity Fund: The fund aims to achieve capital growth by outperforming the MSCI World Index Net (Total Return) by 2% per annum net of fees annualised over rolling three year periods.

The investment philosophy employed by the Investment Manager, in respect of all investments made by the Sub-fund, considers environmental, social and governance factors, which should enable the Sub-fund to deliver, over the long term, a carbon foot print which is lower than that of the MSCI World Index Net (Total Return).

Asset Class and Asset Strategy Consultation

4.4 LCIV has launched an asset class and asset strategy consultation to assist local authorities with finding a solution to their investment strategies within their platform.

- 4.5 The City of Westminster Pension Fund does have a policy allocation of 5% to infrastructure which has yet to be progressed. The Fund did have representation on the LCIV Infrastructure Working Group but activity has cooled in this area since the departure of the previous LCIV CIO. If LCIV is able to offer an investment solution in this area, it will be in the Fund's interest to monitor the situation closely.

If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:

Miriam Adams pensionfund@westminster.gov.uk 0207 641 4176

BACKGROUND PAPERS: None

This page is intentionally left blank



Pension Board

Date:	5 September 2018
Classification:	General Release
Title:	Pension Board Forward Plan
Report of:	Steven Mair <i>City Treasurer</i>
Wards Involved:	All
Policy Context:	Effective Control over Council Activities
Financial Summary:	There are no financial implications arising from this report

1. Executive Summary

- 1.1 The forward plan details the list of activities over the next quarter for the Pension Board. A draft plan for 2018/19 has been attached for comments.

2. Recommendations

- 2.1 The Board is asked to note the draft forward plan attached as Appendix 1.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Miriam Adams – pensionfund@westminster.gov.uk Tel: 020 7641 4176

BACKGROUND PAPERS: None

APPENDICES:

Appendix 1 – Pension Board Forward Plan – September 2018

This page is intentionally left blank

PENSION BOARD Forward Plan – September 2018

Area of work	29 January 2018	Sept 2018	Nov (TBC) 2018	January (TBC) 2019
Standing Items	Pension Fund Committee minutes Risk Register Review Pensions Administration Key Performance Indicators Forward Plan	Pension Fund Committee minutes Pensions Administration Key Performance Indicators Forward Plan	Pension Fund Committee minutes Risk Register Review Pensions Administration Key Performance Indicators Forward Plan	Pension Fund Committee minutes Risk Register Review Pensions Administration Key Performance Indicators Forward Plan
Governance	Contracts Monitoring	Appointment of the Chair / Vice Chair Training Update	Annual Report on Pension Board Activities	2019/20 Meeting Dates Knowledge & Skills Policy and Training Needs Annual Review Scheme Advisory Board Compliance
Pensions Administration	Pensions Administration Strategy Admission Policy Review		Pensions Administration Strategy Review Discretionary Policies Review	Promotion of Scheme Membership Admissions Policy Review

Area of work	29 January 2018	Sept 2018	Nov (TBC) 2018	January (TBC) 2019
Finance	MIFID II Update	London CIV Update	Pension Fund Annual Accounts and Audit Findings Funding Strategy Statement Review Pension Fund Fees and Costs	Review of Pension Fund Annual Report Asset Pooling Progress and Review Relationship with CIV MIFID II Update