



City of Westminster

Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	19 October 2023
Classification:	Public
Title:	Investment Consultant Aims and Objectives Review
Wards Affected:	None
Policy Context:	Effective control over council activities
Financial Summary:	There are no immediate financial implications arising from this report.
Report of:	Phil Triggs <i>Tri-Borough Director of Treasury and Pensions</i> ptriggs@westminster.gov.uk 020 7641 4136

1. EXECUTIVE SUMMARY

- 1.1 This paper provides the Pension Fund Committee with an update of the Investment Management Consultant (IMC) aims and objectives for the Fund's consultant, Isio, as per the requirements of the Competition and Markets Authority (CMA).

2. RECOMMENDATIONS

- 2.1 The Committee is requested to note and comment on the attached IMC aims and objectives with a view to approving for the Pension Fund's investment consultant, Isio.

3. BACKGROUND

- 3.1 As per the requirements of the Competition and Markets Authority (CMA), the Pension Fund must establish aims and objectives for its investment consultant. After conducting an extensive review into the pension fund consultancy and fiduciary management industry, the CMA produced a report, detailing a number of recommendations to improve pension fund governance, with a number of concerns expressed around fees and conflicts of interest.

- 3.2 The Pensions Regulator (tPR) welcomed the review by the CMA and produced guidance on setting aims and objectives. The Regulator's view is that it is good practice for Pension Funds, including the LGPS, to set aims and objectives for investment consultants and advisors in order to achieve better outcomes and manage areas of underperformance.
- 3.3 A set of consultant objectives were originally drawn up for the Pension Fund investment advisor and approved by Committee on 23 October 2019. In line with best practice, the performance of the investment consultant against the objectives should be reviewed on an annual basis and the objectives updated at least every three years or when there has been a material change in investment approach.
- 3.4 Within Appendix 1, a set of updated investment consultant aims and objectives can be found for review, comment and approval by the Pension Fund Committee.

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

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BACKGROUND PAPERS: None

APPENDICES:

Appendix 1: Updated Investment Consultant Aims and Objectives