**Action Plan 2017**

**A Items to be considered/actioned by the Pension Fund Panel in 2017/18**

* Induction training for new members following the 4 May 2017 election in Northumberland;
* Facilitate the creation of the LGPS investment asset management company (i.e. BCPP Ltd) via active involvement in the BCPP Joint Committee, working towards initial “go live” in June 2018;
* Progress the shared pensions administration service with Tyne and Wear Pension Fund, which was initially considered by the Panel at its meeting on 25 November 2017;
* Progress the further potential joint working with Tyne and Wear Pension Fund, which was initially considered by the Panel at its meeting on 27 January 2017;
* Ensure procedures have been followed to opt up to professional status before January 2018, to comply with MiFID II;
* Review Legal and General’s Responsible Investment Policy;
* Sign up to the UK Stewardship Code;
* Conduct the 2017 strategy review of the Fund and implement changes, if appropriate;
* Review PIRC’s appointment;
* Review programme of future manager presentations;
* Develop SharePoint knowledge hub for Panel and Board members’ use (i.e. tPR’s Document Recording Policy);
* Progress GMP reconciliation work;
* Review AVC arrangements;
* Consider introducing a statement of investment beliefs for the Fund;
* Introduce a Training Plan for the Fund and/or consider introducing individual training needs assessments;
* Update the Fund’s risk register;
* Action items referred back to the Panel by the Local Pension Board;
* Consider the implications of implementing the General Data Protection Regulation (effective from 25 May 2018);
* Review the guidance from the LGPS Advisory Board (including re deficit management, academies, review of LPBs and operation of the cost control mechanism);
* Review new LGPS regulations 2016 (re Fair Deal) and exit payment reforms;
* Review GAD/DCLG’s Section 13 Report on the 2016 valuations;
* Pursue opportunities to invest, where appropriate, in collaboration with BCPP “partner” administering authorities;
* Consider the implications of IORP II on risk management, governance and disclosure requirements for the LGPS.

**B Reviews to be undertaken by the Panel in 2017/18 and beyond**

**Quarterly reviews** The Panel will review each quarter:

* value of the Fund and performance of each investment manager compared to the appropriate index (including Mercer’s research information and ratings of the managers) and transactions costs;
* brief information about the manager(s) presenting at the meeting;
* estimated update on funding position (when available);
* pensions administration KPIs and record of breaches.

**Annual reviews** The Panel will review at least annually:

* Action Plan;
* compliance checklist against tPR’s code of practice;
* Investment Strategy Statement (ISS);
* decisions made by the Panel itself and its adviser;
* fund managers’ performance (annual review by performance measurement provider);
* Pension Fund accounts and audit plan/findings;
* Pension Fund Panel members’, LGPS Local Pension Board members’ and officers’ training records;
* separate meeting to receive information from property, infrastructure or private equity managers;
* Fund risk register;
* fund managers’ and custodian’s AAF01/06 (Audit and Accounting Faculty of the ICAEW) (or equivalent) internal controls reports.

**Two yearly reviews** The Panel will review every two years:

* programme for future manager visits.

**Triennial review** The Panel will review triennially or more often if required:

* NCC’s Funding Strategy Statement (FSS);
* participating employers’ covenant strengths;
* results of the actuarial valuation, including a separate meeting with Aon Hewitt to set risk;
* ALM strategy review;
* Training Policy;
* Breaches Policy;
* Conflicts of Interest Policy.

**Periodic reviews** The Panel will review periodically (when necessary):

* Governance Policy and Compliance Statement;
* Statement of Policy Concerning Communication;
* Pension Administration Policy;
* appointments of the fund managers, custodian and other service providers;
* financial strength of the AVC provider.

**C Quarterly meetings – agenda items: usual pattern**

**February quarterly meeting**

* adviser score sheet for completion by Pension Fund Panel members;
* annual assessment of the performance of the Panel as a decision making body;
* review/update ISS;
* update Action Plan;
* update training records.

**June or July quarterly meeting** (held in July in NCC election year, otherwise June)

* Pension Fund Panel members’ and officers’ membership of the LGPS;
* feedback from review of investment adviser for the previous year to 31 March;
* EY’s annual audit planning report for the previous year to 31 March.

**September quarterly meeting**

* Annual accounts for the previous year to 31 March;
* EY’s annual audit planning report for the previous year to 31 March.

**November quarterly meeting**

* AAF reports (most recent available) for all managers and custodian;
* DCLG statistical release for prior year.

**D Past reviews carried out by the Panel**

|  |  |  |
| --- | --- | --- |
| Service reviewed | Date of appointment /review | Appointed |
| Property managers | September 2001 | Schroder  BlackRock |
| Global equity fund manager  Topped up following termination of AlianceBernstein’s mandate  M&G’s appointment reviewed  Assets “parked” with Legal and General | January 2008  July 2011  October 2015  September to December 2016 | M&G  Baillie Gifford appointment deferred  Legal and General |
| Active bond fund manager | March 2011 | Wellington |
| Passive fund manager  Fee reviews took place in November 2015 and March 2016 | September 2001 | Legal and General  (current fees applicable from 1 April 2016) |
| Private equity fund of funds managers  Private Markets III  Global Distressed Opportunities  NB Crossroads XVIII  Private Markets IV  NB Crossroads XX | January 2006  December 2006  January 2007  December 2007  June 2014 | Morgan Stanley  Morgan Stanley  NB Alternatives  Morgan Stanley  NB Alternatives |
| Infrastructure managers  GIP II  Antin Fund II | May 2012  September 2013 | Global Infrastructure Partners  Antin Infrastructure Partners |
| Custodian | September 2001  Reviewed in 2006 Monitored in 2009/10  Revised fee in 2013 | Northern Trust Company |
| AVC provider | March 2001  Reviewed in 2005  Reviewed in 2009 | Prudential |
| Whole Fund structure | October 2009  October 2014  October 2016 | N/A |
| Panel Adviser | March 2009 | Mercer |
| Actuary | October 2000  July 2012 | Aon Hewitt |
| Share Voting Advice | April 2004 | PIRC |
| Performance Measurement Service Provider | August 2016 | Portfolio Evaluation |
| Currency hedging of 50% of holdings in Legal and General’s passively managed funds:   * FTSE North America Index Fund * FTSE Developed Europe (ex UK) Index Fund | April 2017 ($1.50 to £ trigger for removal)  May 2017 (€1.25 to £ trigger for removal) | Legal and General |