

NORTHUMBERLAND COUNTY COUNCIL PENSION FUND
Approved under a delegation given at
the Pension Fund Panel Meeting 21 June 2019

Action Plan 2019

A Items to be considered/actioned by the Pension Fund Panel in 2019/20

Essential

- Work with the actuary to complete the 31 March 2019 valuation, including covenant review of employers;
- Review Funding Strategy Statement (FSS);
- Oversee implementation of merger of NCCPF with TWPF including review of:
 - governance process to date of merger,
 - any further due diligence required,
 - budget for one off costs of merger,
 - communication with stakeholders,
 - merger project risk register, and
 - cost sharing principles;
- Keep investment strategy under review during merger implementation period;
- Work with other BCPP administering authorities to develop the relationship with Border to Coast Pensions Partnership (BCPP Ltd), as both owner and client, via active involvement in BCPP Joint Committee and officer groups;
- Develop client relationship and monitoring of KPIs and breaches information obtained from STC Administration's LGPS shared service;
- Set strategic objectives for NCCPF's investment consultant; and
- Consider and, if appropriate, action the items referred back to the Panel by the Local Pension Board.

Desirable

- Review Legal and General's Responsible Investment Policy;
- Respond to all relevant consultations;
- Review and where necessary implement relevant guidance issued by the LGPS Advisory Board;
- Review currency hedging impact;
- Align NCCPF policies and practices with proposed BCPP Ltd policies;
- Respond to relevant sign-posting from the Pensions Regulator for areas of development;
- Explore ways of streamlining covenant review process for Northumberland schools converting to academy status; and
- Consider national developments on matters including pensions dashboard, GMP equalisation and conversion, McCloud remedy, cost cap, and good governance review.

B Reviews to be undertaken by the Panel in 2019/20 (and beyond, should merger be delayed)

Quarterly reviews The Panel will review each quarter:

- Value of the Fund and performance of each investment manager/sub fund compared to the appropriate index (including Mercer's research information and ratings of the managers) and transactions costs;
- Estimated update on funding position (when available);
- Pensions administration KPIs and record of breaches;
- Tyne and Wear Pension Fund's regulatory report;
- Outcomes and recommendations of the Board;
- Covenant strength of newly forming academies in Northumberland;
- Progress against Action Plan;
- Cash Flow Forecast and review against actual.

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;
- Investment performance (full 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, and Panel members' Training Needs Analysis;
- Fund risk register;
- MiFID II documentation and status;
- BCPP Ltd's, fund managers' and custodian's ISAE 3402 internal controls reports.

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

- NCC's Funding Strategy Statement (FSS);
- Results of the actuarial valuation, including a separate meeting with the Fund actuary to set risk and participating employers' covenant strengths;
- GAD's S13 Report;
- Investment 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;
- Administration Strategy;
- Appointments of the fund managers, custodian and other service providers;
- Administering Authority Discretions Policy;
- Cash Pooling Policy;
- Fund Objectives;
- 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 performance of the Panel as a decision making body;
- Review/update ISS;
- Review/update Action Plan;
- EY's annual audit planning report for the previous year to 31 March;
- Internal control reports for all investment managers and custodian.

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 previous year to 31 March;
- Draft financial statements for the previous year to 31 March.

September quarterly meeting

- EY's annual audit results report for the previous year to 31 March;
- Fund risk register;
- Compliance checklist against tPR's code of practice;
- Annual Fund investment performance review (by Portfolio Evaluation).

November quarterly meeting

- MHCLG statistical release for prior year;
- Annual training needs analysis for Board and Panel members;
- Review MiFID II documentation and status;
- Update training records;
- Review strategic objectives set for NCCPF's investment consultant.

D Past reviews carried out by the Panel

Service reviewed	Date of appointment /review	Appointed
Property managers	September 2001	Schroder BlackRock
M&G (active global equity manager)	October 2015	Baillie Gifford appointment deferred
Assets "parked" with Legal and General	September to December 2016	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

Private Markets III	January 2006	Morgan Stanley
Global Distressed Opportunities	December 2006	Morgan Stanley
NB Crossroads XVIII	January 2007	NB Alternatives
Private Markets IV	December 2007	Morgan Stanley
NB Crossroads XX	June 2014	NB Alternatives
Pantheon Global Select 2017	April 2017	Pantheon

Infrastructure managers

GIP II	May 2012	Global Infrastructure Partners
Antin Fund II	September 2013	Antin Infrastructure Partners
Pantheon Fund III	April 2018	Pantheon

Custodian	September 2001 Reviewed in 2006, then 2010 Revised fee in 2013	Northern Trust Company
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AVC provider	March 2001 Reviewed in 2005, then 2009 Annual officer reviews Reviewed by Hymans in 2018	Prudential
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Whole Fund structure	October 2009 October 2014 October 2016 July 2019	N/A
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Panel adviser	March 2009	Mercer
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Actuary	October 2000 July 2012	Aon Hewitt
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Shareholder engagement	April 2017	LAPFF
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Performance measurement provider	August 2016	Portfolio Evaluation
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Currency hedging of 50% of holdings in Legal and General's passively managed funds:		Legal and General
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- FTSE North America Index Fund April 2017 (\$1.50 to £ limit)
- FTSE Developed Europe (ex UK) Index Fund May 2017 (€1.25 to £ limit)

Shared administration service	January 2018 (for 12 year term plus extensions in 3 yearly tranches)	Tyne and Wear Pension Fund
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