

Merton Local Pension Board

Date: 5 April 2016

Agenda item: 6

**Subject: DRAFT MERTON LOCAL PENSION BOARD WORK
PROGRAMME 2016/17**

Lead officer: Caroline Holland, Director of Corporate Services

Contact officer: Paul Dale

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Recommendations:

- a) To note the content of this report and review and approve the appended draft Merton Local Pension Board Work Programme for 2016/17, subject to amendments requested by the Board.
- b) To read this report in conjunction with the Draft Pension Fund Business Plan 2016/17.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Merton Local Pension Board will assist London Borough of Merton as administering authority in its role as Scheme Manager for London Borough of Merton Pension Fund. The Board will help to ensure that the Fund is managed and administered effectively and efficiently and complies with the code of practice on governance and administration of public service pension schemes issued by the Pensions Regulator.
- 1.2 The Board will meet four times a year to review and discuss matters pertinent to Merton Pension Fund.
- 1.3 The draft Work Programme focuses on the key aspects of the Board's role to enable the Board to carry out its functions effectively for the coming year.

2. DRAFT WORK PROGRAMME

- 2.1 The draft Work Programme is appended to this report. It is designed around the following key areas:
 - A. Governance
 - B. Administration
 - C. Investment
 - D. Finance; and
 - E. Training

2.2 The draft Work Programme will form the basis of the Board's agendas for 2016/17 and provide the framework to monitor its own effectiveness.

2.3 The draft Work Programme is an Action Plan highlighting the suggested key priorities for the Board in 2016/17. Members of the Board are asked to read this report and the draft Work Programme in conjunction with the Pension Fund Business Plan 2016/17, which is the subject of a separate report to this meeting.

3. CONSULTATION UNDERTAKEN OR PROPOSED

3.1 N/A

4. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

4.1 The investment strategy chosen will affect the return on the fund, its actuarial valuation and the cost to the Council.

5. LEGAL AND STATUTORY IMPLICATIONS

5.1 There are no legal implications other than those normally associated with these matters.

6. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

6.1 N/A

7. CRIME AND DISORDER IMPLICATIONS

7.1 N/A

8. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

8.1 N/A

9. APPENDICES

- Draft Merton Pension Board Work Programme 2016/17

10. BACKGROUND PAPERS

- Draft Pension Fund Business Plan 2016/17 (Report of the Director of Corporate Services to Merton Local Pension Board on 5 April 2016)

APPENDIX 1: DRAFT MERTON LOCAL PENSION BOARD WORK PROGRAMME 2016/17

SUBJECT	REPORT OF	DECISION REQUESTED	CONTACT OFFICER(S)
MLPB June 2016			
Pension Fund Performance for Quarter 1 Jan – 31 March 2016 and 2015/16.	Director of Corporate Services	To review the activity and results of the Pension Fund investment managers for the Quarter and the year to 31 March 2016.	Paul Dale Paul Audu
MLPB Training	Director of Corporate Services	To review and approve the Training Plan to help MLPB members to gain the required knowledge and understanding.	Paul Dale Paul Audu
Draft Pension Fund Annual Report and Accounts 2015/16 and Auditor’s Report under current International Auditing Standards.	Director of Corporate Services	To note/comment on the draft Pension Fund Annual Report and Accounts. Note: Final Pension Fund Annual Report and Accounts 2015/16 are going to GP Committee on 8 September 2016, so PFAC might need a special meeting before 8 September 2016 to approve the audited Final Report and Accounts ahead of GPC on 8 September.	Paul Dale Paul Audu
Review of the Pension Fund Investment Strategy	Director of Corporate Services	To note/comment on the scope and timing of the proposed investment strategy review and the role of the Investment Adviser.	Paul Dale Paul Audu
Update on the London CIV	Director of Corporate Services	To note/comment on the potential transition of some assets to the London CIV in the	Paul Dale Paul Audu

		context of the proposed review of the Pension Fund investment strategy, the CIV sub-funds and regulation on collaboration/pooling.	
Draft Response to the Local Government Pension Scheme: Investment Reform Criteria and Guidance (DCLG, November 2015)	Director of Corporate Services	To note/comment on the Authority's refined submission to DCLG Consultation prior to the 15 July 2016 deadline.	Paul Dale Paul Audu
Pension Fund Triennial Actuarial Valuation 2016.	Director of Corporate Services	To note the arrangement for the statutory triennial actuarial valuation of the pension fund as at 31 March 2016 including the timetable, process, issues, impact on the proposed review of the investment strategy and timing of the valuation results.	Paul Dale Paul Audu
Update on Pension Administration	Director of Corporate Services	To note the update and issues with respect to LGPS Regulations, Scheme members and employers and Pension Shared Service arrangement.	Paul Dale Paul Audu
Pension Fund Risk Register	Director of Corporate Services	To review/comment on the Pension Fund Risk Register by exception.	Paul Dale Paul Audu
Pension Fund Cashflow	Director of Corporate Services	To note/comment on the Pension Fund cashflow statement.	Paul Dale Paul Audu
MLPB September 2016			
Pension Fund Performance for Quarter 1 Apr – 30 June 2016	Director of Corporate Services	To review/note the activity and results of the Pension Fund investment managers for the Quarter.	Paul Dale Paul Audu

Update on the Review of the Pension Fund Investment Strategy	Director of Corporate Services	To note/comment on progress of the review and any issues.	Paul Dale Paul Audu
Update on the London CIV	Director of Corporate Services	To note/comment on the potential transition of some assets to the London CIV in the context of the review of the Pension Fund investment strategy, the CIV sub-funds and regulation on collaboration/pooling.	Paul Dale Paul Audu
Pension Fund Advisory Committee (PFAC)	Director of Corporate Services	To note/monitor the work of the PFAC.	Paul Dale Paul Audu
Pension Fund Triennial Actuarial Valuation 2016.	Director of Corporate Services	To note progress (and initial results) on the Actuarial Valuation exercise.	Paul Dale Paul Audu
Statement of Investment Principles (SIP).	Director of Corporate Services	To note/comment on the updated SIP in line with changes in the regulations, investment strategy review and actuarial valuation exercise.	Paul Dale Paul Audu
Update on Pension Administration and Triennial auto-enrolment	Director of Corporate Services	To review pension fund administration generally and note/comment on progress on automatic re-enrolment of eligible staff into the LGPS.	Paul Dale Paul Audu
Pension Fund Risk Register	Director of Corporate Services	To review/comment on the Risk Register by exception.	Paul Dale Paul Audu
Pension Fund Cashflow	Director of Corporate Services	To note/comment on the Pension Fund cashflow statement.	Paul Dale Paul Audu
MLPB December 2016			
Pension Fund Performance for Quarter 1 Jul – 30 Sep 2016	Director of Corporate Services	To note the activity and results of the Pension Fund investment	Paul Dale Paul Audu

		managers for the Quarter.	
Final Report on the Review of the Pension Fund Investment Strategy.	Director of Corporate Services	To receive the Investment Adviser's Report and note the recommendations.	Paul Dale Paul Audu
Actuary's Draft Report on the Actuarial Valuation	Director of Corporate Services	To receive the Actuary's Report and note the valuation results.	Paul Dale Paul Audu
Funding Strategy Statement (FSS).	Director of Corporate Services	To review and note the updated FSS.	Paul Dale Paul Audu
Update on the London CIV	Director of Corporate Services	Update of the developments in the London CIV and changes (if any) in the LGPS investment regulations and pooling.	Paul Dale Paul Audu
Pension Fund Advisory Committee (PFAC)	Director of Corporate Services	To note/monitor the work of the PFAC.	Paul Dale Paul Audu
Pension Fund Risk Register	Director of Corporate Services	To review/comment on the Risk Register by exception.	Paul Dale Paul Audu
Pension Fund Cashflow	Director of Corporate Services	To note/comment on the Pension Fund cashflow statement.	Paul Dale Paul Audu
MLPB March 2017			
Pension Fund Performance for Quarter 1 Oct – 31 Dec 2016	Director of Corporate Services	To note the activity and results of the Pension Fund investment managers for the Quarter.	Paul Dale Paul Audu
Implementation of the Agreed Investment Strategy.	Director of Corporate Services	To note actions taken by officers to implement the investment strategy agreed by PFAC.	Paul Dale Paul Audu
Update on the London CIV	Director of Corporate Services	To note the potential transition of some assets to the London CIV in the context of the agreed investment strategy.	Paul Dale Paul Audu
Review of the Board 2016/17 Work Programme and draft	Director of Corporate Services	To evaluate the Board's activity and accomplishments and	Paul Dale Paul Audu

Work Programme for 2017/18.		consider the draft Work Programme for the coming year.	
Board Member Training	Director of Corporate Services	To review and approve the Training Plan to help Board members to gain the required knowledge and understanding.	Paul Dale Paul Audu
Pension Fund Advisory Committee (PFAC)	Director of Corporate Services	To review the work of the PFAC for the year.	Paul Dale Paul Audu
Annual Review of Pension Fund Investment Arrangement (Investment Managers' Annual Presentation to the Board).	Director of Corporate Services <ul style="list-style-type: none"> • UBS Asset Management • Aberdeen Asset Management • BlackRock 	To receive presentations from fund managers.	Paul Dale Paul Audu
Annual Review of the Pension Fund Custody Arrangement.	Director of Corporate Services	To note the activity and performance of the Pension Fund custodian.	Paul Dale Paul Audu
Pension Fund Risk Register	Director of Corporate Services	To review/comment on the Risk Register by exception.	Paul Dale Paul Audu
Pension Fund Cashflow	Director of Corporate Services	To note/comment on the Pension Fund cashflow statement.	Paul Dale Paul Audu