

APPENDIX A

Action to be taken	Timescale	Details (primary responsibility)	Progress to May 2013	Progress to June 2014
1. To achieve long-term investment performance , Fund sustainability and pursue new investment opportunities				
(a) Consider an interim valuation and LGPS scheme changes	Sept 2012	Use results to review funding level and any potential effect of the scheme changes	Considered interim valuation and likely position for 2013 valuation. 31 March 2013 actuarial valuation is now being undertaken	31 March 2013 actuarial completed and certified on 30/3/14
(b) Review investment strategy to reflect asset/liability position To commence as part of the 31 March 2013 actuarial valuation process	2014-2015	To use results and other analyses to set benchmark asset allocations and Fund outperformance targets and risk levels (<i>Pensions sub-cttee, Investment advisers</i>).	b)September meeting to consider fund objective to formulate investment strategy	b) Members agreed in November to maintain split of 75% growth and 25% matching asset allocation
(c) Implement any resulting changes to asset allocation, portfolio and fund management structures.	Ongoing	Plan procurement and tendering process with transition of assets requirement to minimize cost and optimize value of assets	c)L& G will transition on 3 June 2013 to minimize transaction cost	c)10 % of the total fund is to invested in a Diversified growth fund(DGF)
(d) Review all contracts on a rolling basis including, actuary, voting services, investment advisers and custodial services.	2011-2015	Committee to agree conclusions of all reviews. Director of Corporate Finance to have delegated authority to review contracts and performance and fee levels when required. (<i>Pensions Sub-Committee, Officers</i>).	d) National framework for pension advice and actuary service is now up and running and custody service is nearing final stages for completion in Autumn -LBI will be using these frameworks going forward - PIRC reappointed for a 3year contract in Jan'2013.	d) Signed up to use National custody framework .

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<p>(e) Closely monitor new legislation affecting the LGPS or pension provision.</p>	<p>Ongoing</p>	<p>Consider reports on the implications for the Fund and agree actions necessary to ensure full compliance when final legislation is enacted including meeting deadlines. <i>(Pensions sub-committee, Officers, Actuary)</i>.</p>	<p>-</p>	<p>Council responded to Councillors pension consultation in June'13</p> <p>Also responded to Call for evidence on LGPS merger of Fund and subsequent CIV consultation in September</p>
<p>2. To deliver an excellent and cost effective administration service to all fund members</p>				
<p>(a) Agree key performance indicators for the administration of the Fund and continue to benchmark against similar funds.</p>	<p>Ongoing.</p>	<p>Development complete by Q2 2011 with regular reporting to schedule to Pension sub cttee thereafter. Continue ongoing CIPFA benchmarking. <i>(Officers)</i>. Analyse survey results (pension sub cttee, officers)</p>	<p>a)Members continue to receive quarterly monitoring rept on focused KPI</p>	<p>Ongoing</p>
<p>(b) Carry out a survey to gain feedback from pensioners and active employees on customer satisfaction.</p>	<p>2012</p>	<p>Changes required from survey to be implemented during 2012. <i>(Pensions sub cttee, Officers including LBI communications team)</i></p>	<p>b) Pensioner's survey results were discussed at AGM in October 2012.</p>	<p>Survey of satisfaction levels for active and newly retired over one year period from August 2013 was reported to Members in September . Results had a high level of satisfaction.</p>
<p>(c) Implement changes based on survey responses</p>	<p>Oct 2012-Mar 2013</p>	<p>.</p>	<p>Good work of admin team was highlighted and improvements are to be made to answering of telephone calls by staff.</p>	

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<p>d) To devise a communication plan and consultation to stakeholders</p>	<p>Ongoing</p>	<p>Newsletters, annual benefit statements, annual reports, AGM and employers meetings to continue as previously (<i>Officers</i>).</p>	<p>d)Annual benefits statement due out in June 2013 Communication plan on 2014 LGPS to be in place by September 2013</p>	<p>d) Active members received their annual benefit statements (ABS) in June 2013 and deferred members in December 2013. Publicity and letters sent out on New LGPS was reported to Members in March '14</p>
<p>3. To be active and responsible investors focusing on corporate governance and environment sustainability through engagement.</p>				
<p>(a) Continue to engage with companies through active membership of LAPFF, IIGCC and other suitable bodies.</p>	<p>Ongoing.</p>	<p>Key themes will be corporate governance especially relating to human rights, employment practices and protection of the environment. (<i>Pensions sub cttee, Investment advisers, PIRC, Officers.</i>)</p>	<p>(a) Continue to work with LAPFF and IIGCC</p>	<p>a) Continue to work with LAPFF and IIGCC</p>
<p>(b) Develop improved monitoring of fund manager engagement activity.</p>	<p>Ongoing.</p>	<p>To include engagement with managers on their own corporate governance as part of terms of reference on appointment. (<i>Pensions sub cttee, investment advisers, Officers</i>).</p>		<p>b) Members have attended a number of AGMs of companies as shareholder to exercise our voting rights</p>
<p>(c) Improve communication of engagement activities to stakeholders and public.</p>	<p>Review during 2012</p>	<p>To include potential for publication of LBI voting record. (<i>Officers and PIRC</i>).</p>	<p>c) Fund voting records will form part of its Annual report 2013.</p>	<p>PIRC service provider presented our voting records at the 2013 AGM</p>
<p>(d) Integrate our responsible investment policy into the Fund's</p>	<p>Ongoing</p>	<p>To include consideration of appropriate responsible investment</p>	<p>Applied in tender procurement documents.</p>	<p>Members have sought Counsel advise on</p>

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investment review		funds. Manager policies on equalities, environment and corporate governance to form review criteria alongside performance and fee considerations. <i>(Pensions sub cttee, Investment advisers, Officers).</i>		investors responsibilities in respect of SRI issues and a full report is to be discussed in September to update the Fund's SIP
4. To actively monitor and challenge poor performance in managers and to pursue new investment opportunities				
(a) Review current fund manager performance against agreed targets over three- to five year rolling periods	Ongoing	Use existing terms of reference for appointment and firing of managers as a guideline to monitor performance of fund managers <i>(Pensions sub cttee, Investment advisers, Officers).</i>	(a) Members continue to monitor fund managers performance	a)Members monitoring continues
(b) Review current fund manager quarterly monitoring arrangements	Ongoing	Agree a forward plan for existing fund managers to meet the pension sub committee. The Corporate Director of Finance to continue monitoring managers between quarterly meetings <i>(Pensions sub cttee, Investment advisers, Officers).</i>	(b) The forward plan now schedules managers to present to the cttee.	(b)The forward plan continues to schedule managers
(c) To consider new investment opportunities which can help improve the fund's financial performance	Ongoing	Pension sub committee have a long term objectives and clear investment policies to achieve them. <i>(Pensions sub cttee, Investment advisers, Officers).</i>	c) £20million Residential property mandate was funded in January 2013. 50% of emerging market passive mandate with L&G to be benchmarked against FTSE RAFI index effective	Members have received a number of reports on investment approaches and various training sessions.

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<p>(d) To keep abreast of developments on pension and investment issues</p>	<p>Ongoing</p>	<p>Pension sub committee will agree a training plan and evaluate annually training undertaken and future needs <i>(Pensions sub cttee, Investment advisers, Officers).</i></p>	<p>from 3 June 2013</p>	<p>Members have received training sessions on Diversified Growth Funds and multi asset credits role in a portfolio to enable them to make asset allocation decisions</p>
<p>5. Develop collaboration opportunities with other funds for sharing of services</p>				
<p>a) Seek to collaborate with other partners to achieve efficiencies and value for money</p>	<p>Ongoing</p>	<p>To agree to share services where it is beneficial to the fund objectives of sustainability and performance</p>		<p>Members have signed up to be a shareholder of the new London Collective Investment Vehicle (CIV) as an investment company for London Boroughs. The Chair of the Pensions Sub Committee will also sit on the new London Pensions CIV Joint Committee.</p>