

APPENDIX A

Action to be taken	Timescale	Details (primary responsibility)	Progress to June 2016	Progress to May 2017	Progress to June 2018
1. "To achieve best practice in managing our investments in order to ensure good long- term performance, sustainability of the Fund, value for money and a reduction in managers' fees wherever possible and pursue new investment opportunities"					
(a) Consider an interim valuation and LGPS scheme changes	Ongoing	Use results to review funding level and any potential effect of the scheme changes	Training sessions have been arranged in September to review assumptions and implications for 2016 Actuarial Review	2016 Actuarial Valuation was consulted on and signed off 31/3/17	Actuary presented an update on Equity gains and its impact on funding level
(b) Review investment strategy to reflect asset/liability position To commence as part of the 31 March 2016 actuarial valuation process	2016-2019	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>).	Members agreed to allocate 10% to bonds and 15% to infrastructure and social housing in November 2015	Members after consulting with the London CIV are now to agree a tendering plan on infrastructure	Members agreed to reallocate £50m from its bond portfolio to the HLV property
(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	A proposal for an Emerging and Frontier market manager is being sought through an open tender process with a deadline of 20 June 2016.	An equities emerging market manager was appointed in September 2016 and was seeded in May'17	An equity protection strategy was implemented in February 2018 to March 2020 with the payment of a one off premium
(d) Review all contracts on a rolling basis including, actuary, voting services, investment advisers and custodial services.	2015-2019	Committee to agree conclusions of all reviews. Corporate Director of Resources to have delegated authority to review contracts and performance and fee levels when required. (<i>Pensions Sub-Committee, Officers</i>).	Fee reductions were negotiated with our UK commercial property manager and our Global property manager	BNY Mellon contract was reviewed and updated to conform to new regulations and combine all services including performance monitoring	The independent adviser service was retendered and an initial 5year contract awarded to Allenbridge MJ Hudson
(e) Closely monitor new legislation affecting the LGPS or pension provision.	Ongoing	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>).	A further response on the consultation on pooling and investment regulation was sent in March 2016	The Investment Strategy Statement that replaces SIP was drafted, consulted and published by 1 April 2017 2016 Funding Strategy Statement was also consulted on and published by 1 April 2017	Members agreed to be elected for professional client status and complete the necessary application for MIFID II effective from 3 Jan 2018.
2. To continually improve our administration in order to deliver an excellent and cost effective service to all fund members					
(a) Agree key performance indicators for the administration of the Fund and continue to benchmark against similar funds.	Ongoing.	Development complete by Q2 2011 with regular reporting to schedule to Pension sub cttee thereafter. Continue ongoing CIPFA benchmarking. (<i>Officers</i>).	Ongoing	Pension Board on reviewing resources have recommended extra resources in order to deliver a high standard of services Deferred benefit statements are to be sent out in July 2017	A speaker from Carbon Trust presented at Annual meeting in Oct'17
(b) Carry out a survey to gain feedback from pensioners and active employees on customer satisfaction.	2012	Analyse survey results (pension sub cttee, officers)	2016 Annual benefit statement were sent out in October 2016	Annual benefit statements were sent out in September 2017	Annual benefit statements are due out before 31 August.

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<p>(c) Implement changes based on survey responses</p> <p>d) To devise a communication plan and consultation to stakeholders</p>	<p>Oct 2012-Mar 2013</p> <p>Ongoing</p>	<p>Changes required from survey to be implemented during 2012. <i>(Pensions sub cttee, Officers including LBI communications team)</i></p> <p>Newsletters, annual benefit statements, annual reports, AGM and employers' meetings to continue as previously <i>(Officers)</i>.</p>	<p>Members who contact the service are asked for feedback on the service received</p> <p>Communication on changes to LGPS are highlighted in staff bulletins and the intranet</p> <p><i>The Pension internal and external websites are regularly updated with fund policy information and any new regulations</i></p>	<p>Members who contact the service are asked for feedback on the service received</p> <p>Communications policy was reviewed by the Pension Board in September 2016</p> <p>AGM chaired by the Pension Board Chair person was held in October 2016 and copies of the Pension Annual Report for 2015/16 were distributed</p>	<p>Pension Board discussed bulk transfer commutation and requested further analyses on the data.</p> <p>Pension Board gave their comments on a frequently asked question (FAQ) page in the 2017 Annual report and received and noted the pension fund year end accounts</p>
<p>3. To engage with companies as an active and responsible investor with a focus on good corporate governance and environmental sustainability, whilst achieving a financial return for the fund and addressing societal impact.</p>					
<p>(a) Continue to engage with companies through active membership of LAPFF, IIGCC and other suitable bodies.</p> <p>(b) Develop improved monitoring of fund manager engagement activity.</p> <p>(c) Improve communication of engagement activities to stakeholders and public.</p> <p>(d) Integrate our responsible investment policy into the Fund's investment review</p>	<p>Ongoing.</p> <p>Ongoing.</p> <p>Review during 2012</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>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>To include potential for publication of LBI voting record. <i>(Officers and PIRC)</i>.</p> <p>To include consideration of appropriate responsible investment funds. Manager policies on equalities, environment and corporate governance to form review criteria alongside performance and fee considerations.</p>	<p>Work with LAPFF and IIGCC continues</p> <p>Members have attended a number of AGMs of companies as shareholder to exercise our voting rights</p> <p>Voting records are published in the Annual Pension Fund report</p> <p>Members agreed to disinvest from SOCO International on the basis of its future returns, current human rights and environmental issues</p>	<p>Work with LAPFF and IIGCC continues</p> <p>Members have attended a number of AGMs of companies as shareholder to exercise our voting rights</p> <p>Voting records are published</p> <p>Members reviewed the carbon footprint of its equities portfolio and after a series of training and presentations agreed to lower its existing footprint by restructuring its passive equities to low carbon benchmarks. Implementation should complete by July with a up to 50% reduction.</p>	<p>Work with LAPFF and IIGCC, and the LCIV continues</p> <p>Members received a presentation from Mercer on ESG rating and climate risk assessment of our existing fund managers, this becoming a basis for monitoring and reporting.</p> <p>Received a presentation from PIRC on LAPFF engagement and governance</p>

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		<i>(Pensions sub cttee, Investment advisers, Officers).</i>		Low carbon alternatives on property and bonds are now being sought.	Low carbon property workplace fund manager presented to members in June 2017
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 monitoring continues	a)Members monitoring continues	Ongoing
(b) Review current fund manager quarterly monitoring arrangements	Ongoing	Agree a forward plan for existing fund managers to meet the pensions sub- committee. The Corporate Director of Resources to continue monitoring managers between quarterly meetings <i>(Pensions sub cttee, Investment advisers, Officers).</i>	(b)The forward plan continues to schedule managers	A key man change triggered a review of our property manager Hearthstone mandate.	Alternative residential investment provider presented to Members in June 2017
(c) To consider new investment opportunities which can help improve the fund's financial performance	Ongoing	Pensions sub-committee have a long term objectives and clear investment policies to achieve them. <i>(Pensions sub cttee, Investment advisers, Officers).</i>	Joint training sessions are now scheduled with the Local Islington Pension Board to keep both members abreast with investment issues	Active Frontier and emerging market manager has been seeded to replace a passive emerging market manager	Members expressed interest in 3rd party fund of fund managers on infrastructure implementation and received a manager presentation as training
(d) To keep abreast of developments on pension and investment issues	Ongoing	Pensions sub-committee will agree a training plan and evaluate annually training undertaken and future needs <i>(Pensions sub cttee, Investment advisers, Officers).</i>	Training sessions are scheduled before each committee meeting and topics have included Emerging and frontier markets, infrastructure, social housing, and impact investing	Training sessions before and during and committee meetings continue.	Training sessions before and during and committee meetings continue.
5. Develop collaboration opportunities with other funds for sharing of services and pooling					
a) Seek to collaborate with other partners to achieve efficiencies and value for money	Ongoing	To agree to share services where it is beneficial to the fund	The London CIV received its FCA approval in	The Fund as an active member of the London CIV continues to work on policy and investment issues	Officers are collaborating with 3 other interested local

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		<p>objectives of sustainability and performance</p>	<p>September 2015 and Islington moved its Allianz portfolio to the CIV platform on 2 December 2015</p> <p>The government has now agreed that all England and Wales LGPS will now pool their assets into six funds. A pathway response on pooling timetable and cost is due in July 2016</p>	<p>The passive LGIM mandates were pooled under a CIV negotiated lower fee even though it sits off the platform</p> <p>Newton mandate was transitioned to Newton London CIV platform in May 2017</p> <p>Another 5 new global equities sub funds have been appointed onto the London CIV platform to offer boroughs alternative investment managers</p>	<p>authorities in a joint tender for infrastructure</p> <p>The LCIV gave a presentation to Members on progress and outlined priorities for 2018.</p> <p>Members gave their comments on the consultation of the LCIV governance review and the new structure was agreed at their July AGM.</p>