

APPENDIX A

Action to be taken	Timescale	Details (primary responsibility)	Progress to May 2017	Progress to June 2018	Progress to June 2019
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	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	Actuary presented an update on 2019 actuarial valuation since the last valuation in 2016
(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 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	Members agreed to review its listed equity on the LCIV platform
(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	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	Members agreed to appoint 2 infrastructure managers to be funded from its bond portfolio
(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>).	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	Members reviewed all the bodies it is affiliated to and agreed to continue its associations until the next review.
(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>).	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.	Members have responded to MHCLG consultations on the LGPS pooling, 4 year cycle valuation and fair deal .
2. To continually improve our administration and governance 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.	Pension Board now monitors the administration and governance of the Fund. Continue ongoing CIPFA benchmarking. (<i>Officers</i>).	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 Annual benefit statements are due out before 31 August.	Pension Board agreed to meet 4 times a year instead 2. After further review of Bulk transfer data action was deferred.
(b) Carry out a survey to gain feedback from pensioners and active employees on customer satisfaction and implement changes	Ongoing	Analyse survey results (pension board, officers)	Annual benefit statements were sent out in September 2017	Pension Board discussed bulk transfer commutation and requested further analyses on the data.	Feed back results are feed back to the pension board every quarter.

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c) Ensure governance of the admin	Ongoing	Changes required from survey to be implemented. (<i>Pensions sub cttee, Officers including LBI communications team</i>)	Members who contact the service are asked for feedback on the service received		Pension board have an agreed workplan and forward plan to decide committee agenda
d) To devise a communication plan and consultation to stakeholders	Ongoing	Newsletters, annual benefit statements, annual reports, AGM and employers' meetings to continue as previously (<i>Officers</i>).	Communications policy was reviewed by the Pension Board in September 2016	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	Board agreed to include death benefits in annual statement and publish death benefits online
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.					
(a) Continue to engage with companies through active membership of LAPFF, IIGCC and other suitable bodies.	Ongoing.	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> .)	Work with LAPFF and IIGCC continues	Work with LAPFF and IIGCC, and the LCIV continues	Work with LAPFF and IIGCC, and the LCIV continues
(b) Develop improved monitoring of fund manager engagement activity.	Ongoing.	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>).	Members have attended a number of AGMs of companies as shareholder to exercise our voting rights	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.	Members have restated their ESG beliefs and revised their ISS restating their policy on decarbonisation detailing their targets and monitoring plan.
(c) Improve communication of engagement activities to stakeholders and public.	Review during 2012	To include potential for publication of LBI voting record. (<i>Officers and PIRC</i>).	Voting records are published		Voting records are published
(d) Integrate our responsible investment policy into the Fund's investment review	Ongoing	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. (<i>Pensions sub cttee, Investment advisers, Officers</i>).	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.	Received a presentation from PIRC on LAPFF engagement and governance	Appointed a renewable infrastructure manager and sustainable global equity manager
				Low carbon property workplace fund manager presented to members in June 2017	Members agreed and signed up to join Pension for Purpose a free affiliation to promote impact investing

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			Low carbon alternatives on property and bonds are now being sought.		
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>).	Members monitoring continues	Ongoing	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>).	A key man change triggered a review of our property manager Hearthstone mandate.	Alternative residential investment provider presented to Members in June 2017	Reviewed Schroder (DGF) manager performance against its peer groups. Regular monitoring of Hearthstone property manager due to AUM.
(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>).	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	Members have requested training briefs on private debt and multi asset credit.
(c) 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 before and during and committee meetings continue.	Training sessions before and during and committee meetings continue.	New members have been enrolled to attend LGA trustee pension course. Training sessions before and during committee meetings continue. Members attend seminars and LCIV AGMs as shareholder
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 objectives of sustainability and performance	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 authorities in a joint tender for infrastructure	Officers collaborated for joint legal advice with 2 other LA authorities in the

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		<p>The passive LGIM mandates where 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>The LCIV gave a presentation to Members on progress and outlined priorities for 2018.</p>