

APPENDIX A

Action to be taken	Timescale	Details (primary responsibility)	Progress to May 2018	Progress to June 2019	Progress to June 2020
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	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	Actuary valuation was signed off on March 2020
(b) Review investment strategy to reflect asset/liability position To commence as part of the 31 March 2019 actuarial valuation process	2019-2023	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 reallocate £50m from its bond portfolio to the HLV property	Members agreed to review its listed equity on the LCIV platform	As part of actuarial valuation members agreed a new investment target return from amended strategic asset allocation within a risk budget.
(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 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	Members agreed to tender for a new Multi asset credit mandate
(d) Review all contracts on a rolling basis including, actuary, voting services, investment advisers and custodial services.	2018-2022	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>).	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.	Work in progress
(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>).	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	Members complied with TPR directives of agreeing objectives with investment consultancy service providers by December 2019
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>).	A speaker from Carbon Trust presented at Annual meeting in Oct'17	Pension Board agreed to meet 4 times a year instead 2.	Pension board review draft statement of accounts before auditing and monitor pension's admin cashflow .
(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 are due out before 31 August. Pension Board discussed bulk transfer commutation and requested further analyses on the data.	After further review of Bulk transfer data action was deferred. Feed back results are feed back to the pension board every quarter.	The board challenge officers on targets and benchmarking and recommended more resource that is now in place.

APPENDIX A

Actions to be taken

Timescale

Details (primary responsibility)

Progress to May 2018

Progress to June 2019

Progress to June 2020

c) Ensure governance of the admin	Ongoing	Changes required from survey to be implemented. (<i>Pensions sub cttee, Officers including LBI communications team</i>)		Pension board have an agreed workplan and forward plan to decide committee agenda	As part of the workplan the board have asked to scrutinise COVID 19 checklist and impact on service.
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>).	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	Board have also implemented regular reviews of new members through auto enrolment and opt-out numbers and commented on new website layout and contents.
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, and the LCIV continues 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.	Work with LAPFF and IIGCC, and the LCIV continues Members have restated their ESG beliefs and revised their ISS restating their policy on decarbonisation detailing their targets and monitoring plan.	Work with LAPFF , LCIV and the IIGCC continues Carbon policy is published and Members have shared their story with other LAs.
(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>).		Voting records are published	Members continue to encourage and support the LCIV on engagement on ESG factors.
(c) Improve communication of engagement activities to stakeholders and public.	Ongoing	To include potential for publication of LBI voting record. (<i>Officers and PIRC</i>).		Appointed a renewable infrastructure manager and sustainable global equity manager	Voting records are published Current investment review in 2019 reaffirmed responsible investment in strategic asset allocations
(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>).	Received a presentation from PIRC on LAPFF engagement and governance 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	Climate scenario analysis was undertaken for the whole fund in December 2019
4. To actively monitor and challenge poor performance in managers and to pursue new investment opportunities					

APPENDIX A
Actions to be taken

Actions to be taken	Timescale	Details (primary responsibility)	Progress to May 2018	Progress to June 2019	Progress to June 2020
(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>).	Ongoing	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>).	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.	Commissioned a deep dive in our residential property manager for governance assurances.
(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>).	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.	1>1 meetings with managers have been held with officers and advisors to report to members Recap of multi – asset credit briefing before agreeing to procure.
(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.	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	Joint briefing on Actuarial valuations were held for Members to understand assumption and take funding decisions 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	Officers are collaborating with 3 other interested local authorities in a joint tender for infrastructure The LCIV gave a presentation to Members on progress and outlined priorities for 2018.	Officers collaborated for joint legal advice with 2 other LA authorities in the review of legal documents for new infrastructure mgrs Members reviewed global equity sub funds on the LCIV platform to appoint RBC to replace Allianz.	Officers are collaborating with another LA to procure a MAC mandate after LCIV's review of current manager on LCIV platform. Members and officers worked with the LCIV on

APPENDIX A
Actions to be taken

Timescale

Details (primary responsibility)

Progress to May 2018

Progress to June 2019

Progress to June 2020

			Members gave their comments on the consultation of the LCIV governance review and the new structure was agreed at their July AGM.	Members attend seminars and LCIV AGMs as shareholder	the initial workshops on ESG Members collaboration of a north London LA group meet regularly to share ideas
--	--	--	---	--	--