

ACTION TO BE TAKEN

Action to be taken	Timescale	Details (primary responsibility)	Progress to June 2019	Progress to June 2020	Progress to June 2021
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" plus an expectation of strong business ethics from fund managers also"					
(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 2019 actuarial valuation since the last valuation in 2016	Actuary valuation was signed off on March 2020	Following Covid pandemic and lockdown funding and asset allocation was reviewed in June
(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 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.	Strategic allocation was still fit for purpose after impact of lockdown and probable recovery scenario testing was undertaken
(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	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	Preferred manager was appointed to run the MAC mandate of £75m and funded in March 2021
(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>).	Members reviewed all the bodies it is affiliated to and agreed to continue its associations until the next review.	Work in progress	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 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	Members complied with TPR directives of reviewing agreed objectives and performance of investment consultancy service providers by December 2020
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 agreed to meet 4 times a year instead 2.	As part of the workplan the board requested more scrutiny of COVID 19 checklist and impact on service.	Risk register is reviewed 6monthly to include pandemic impact and improvements have been requested in the layout.
(b) Carry out a survey to gain feedback from pensioners and active employees on customer	Ongoing	Analyse survey results (pension board, officers) Changes required from survey to be implemented. (<i>Pensions sub cttee,</i>	Feed back results are feed back to the pension board every quarter	Board have also implemented regular reviews of new members through auto enrolment and opt-out numbers and	To encourage take up of membership, new employees who join the lgps and stay on are

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<p>satisfaction and implement changes</p> <p>c) Ensure governance of the admin</p> <p>d) To devise a communication plan and consultation to stakeholders</p>	<p>Ongoing</p> <p>Ongoing</p>	<p><i>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>Pension board have an agreed workplan and forward plan to decide committee agenda</p> <p>After further review of Bulk transfer data action was deferred.</p> <p>Board agreed to include death benefits in annual statement and publish death benefits online</p>	<p>commented on new website layout and contents.</p>	<p>entered into a draw to win a token cash prize</p> <p>McCloud implementation process has been discussed with pension software provider and resource engagement is now required to carry this forward.</p> <p>ABS has been issued within the deadline.</p> <p>A new improved website is almost completed, with documents accessible on line for some self- service options.</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 and a focus on strong business ethics and reputation to ensure the safeguarding of the Fund and its members</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>Ongoing</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, and the LCIV continues</p> <p>Members have restated their ESG beliefs and revised their ISS restating their policy on decarbonisation detailing their targets and monitoring plan.</p> <p>Voting records are published</p> <p>Appointed a renewable infrastructure manager and sustainable global equity manager</p> <p>Members agreed and signed up to join Pension for Purpose a free affiliation to promote impact investing</p>	<p>Work with LAPFF , LCIV and the IIGCC continues</p> <p>Carbon policy is published and Members have shared their story with other LAs.</p> <p>Members continue to encourage and support the LCIV on engagement on ESG factors.</p> <p>Voting records are published</p> <p>Current investment review in 2019 reaffirmed responsible investment in strategic asset allocations</p> <p>Climate scenario analysis was undertaken for the whole fund in December 2019</p>	<p>Engagement with LAPFF, IIGCC,LCIV and North London Pensions chairs forum continues</p> <p>Carbon footprinting for equity and credit portfolios and ESG measurement of our fund managers was undertaken as at March 2021.</p> <p>Voting records are published in Annual report</p> <p>Recent appointment of MAC had a specific criteria on ESG integration in the investment process.</p> <p>Net Zero carbon target to 2050 was agreed by Members in June along with new carbon reductions targets to 2026 and 2030 to include green opportunities</p>

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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>	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>	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. 1>1 meetings with managers have been held with officers and advisors to report to members	Due to Covid pandemic impact on real estate, 1>1 meetings were held with property managers to understand the effects and recovery strategy. Regular monitoring meeting were also arranged with emerging/frontier market manager for reassurances on strategy after changes in management.
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 have requested training briefs on private debt and multi asset credit.	Recap of multi – asset credit briefing before agreeing to procure. Joint briefing on Actuarial valuations were held for Members to understand assumption and take funding decisions	Members agreed to recommit to global property FTRETP III in December.
(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>	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	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	Net-zero carbon target transition training run be Mercer was provided to all pension sub cttee and board members. Members attend seminars and LCIV AGMs as shareholders and business meeting days.
5. Develop collaboration opportunities with other funds for sharing of services and pooling					

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<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>Officers collaborated for joint legal advice with 2 other LA authorities in the review of legal documents for new infrastructure mgrs</p> <p>Members reviewed global equity sub funds on the LCIV platform to appoint RBC to replace Allianz.</p> <p>Members attend seminars and LCIV AGMs as shareholder</p>	<p>Officers are collaborating with another LA to procure a MAC mandate after LCIV's review of current manager on LCIV platform.</p> <p>Members and officers worked with the LCIV on the initial workshops on ESG</p> <p>Members' collaboration of a north London LA group meet regularly to share ideas</p>	<p>Officers sourced collaboration with previous LA procurement to procure Private debt due to commonality of best in class.</p> <p>Members' participate in a North London LA Pension Chairs group . It a forum to share ideas, identify common goals and work together alongside the LCIV.</p>
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