

**NORTHUMBERLAND COUNTY COUNCIL PENSION FUND  
Pension Fund Panel Meeting 10 September 2018**

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**Action Plan 2018**  
*approved at the 23 February 2018 Panel meeting*

**A Items to be considered/actioned by the Pension Fund Panel in 2018/19**

**Essential**

- Work with other BCPP administering authorities to develop the relationship with Border to Coast Pensions Partnership (“BCPP Ltd”), as **owner** and **client**, via active involvement in BCPP Joint Committee and officer groups;
- Align Northumberland County Council Pension Fund (“the Fund”) policies and practices with proposed BCPP Ltd policies;
- Develop client relationship and monitoring of KPIs / breaches information from Tyne and Wear Pension Fund on the shared pensions administration service;
- Consider and develop the actions taken to implement the General Data Protection Regulation (effective from 25 May 2018) and mitigate cyber risk;
- Action items referred back to the Panel by the Local Pension Board;
- Review and (and if necessary) respond to GAD’s Section 13 Report on 2016 valuations.

**Desirable**

- Progress further potential joint working with Tyne and Wear Pension Fund, per the Panel decision on 27 January 2017;
- Collaborate with Tyne and Wear Pension Fund to review:
  - AVC arrangements; and
  - adequacy of insurance for shared administration service and functions remaining at NCC;
  - the Fund’s membership data quality;
- Review the Fund’s Policy on Conflicts of Interest;
- Sign up to the UK Stewardship Code;
- Review PIRC’s appointment;
- Review Legal and General’s Responsible Investment Policy;
- Review programme of future manager presentations;
- Develop SharePoint knowledge hub for Panel and Board members’ use (i.e. tPR’s Document Recording Policy);
- Progress GMP reconciliation work;
- Consider introducing a statement of investment beliefs for the Fund;
- Update the Fund’s risk register;
- Respond to MHCLG and other relevant consultations;
- Respond to consultations and review guidance from the LGPS Advisory Board (including deficit management, academies, cost transparency, tier-three employers, ESG/RI, operation of Boards and the cost control mechanism);
- Review currency hedging impact;
- Consider opportunities to invest in infrastructure in collaboration with BCPP administering authorities;
- Consider the implications of IORP II on risk management, governance and disclosure requirements for the LGPS.

## **B      Reviews to be undertaken by the Panel in 2018/19 and beyond**

**Quarterly reviews**            The Panel will review each quarter:

- value of the Fund and performance of each investment manager compared to the appropriate index (including Mercer's research information and ratings of the managers) and transactions costs;
- brief information about the manager(s) presenting at the meeting;
- estimated update on funding position (when available);
- pensions administration KPIs and record of breaches;
- Tyne and Wear Pension Fund's regulatory report;
- outcomes and recommendations of the Board;
- progress against Action Plan.

**Annual reviews**            The Panel will review at least annually:

- Action Plan;
- compliance checklist against tPR's code of practice;
- Investment Strategy Statement (ISS);
- decisions made by the Panel itself and its adviser;
- fund managers' performance (annual review by performance measurement provider);
- Pension Fund accounts and audit plan/findings;
- Pension Fund Panel members', LGPS Local Pension Board members' and officers' training records, and results of Panel members' Training Needs Analysis;
- separate meeting to receive information from property, infrastructure or private equity managers;
- Fund risk register;
- fund managers' and custodian's ISAE 3402 internal controls reports.

**Two yearly reviews**        The Panel will review every two years:

- programme for future manager visits.

**Triennial reviews**        The Panel will review triennially or more often if required:

- NCC's Funding Strategy Statement (FSS);
- participating employers' covenant strengths;
- results of the actuarial valuation, including a separate meeting with the Fund actuary to set risk;
- GAD's S13 Report;
- ALM strategy review;
- Training Policy;
- Breaches Policy;
- Conflicts of Interest Policy.

**Periodic reviews**        The Panel will review periodically (when necessary):

- Governance Policy and Compliance Statement;
- Statement of Policy Concerning Communication;
- Administration Strategy;
- appointments of the fund managers, custodian and other service providers;

- Administering Authority Discretions Policy;
- financial strength of the AVC provider.

## **C Quarterly meetings – agenda items: usual pattern**

### **February quarterly meeting**

- adviser score sheet for completion by Pension Fund Panel members;
- annual assessment of the performance of the Panel as a decision making body;
- review/update ISS;
- review/update Action Plan;
- EY's annual audit planning report for the previous year to 31 March;
- update training records.

### **June or July quarterly meeting** (held in July in NCC election year, otherwise June)

- Pension Fund Panel members' and officers' membership of the LGPS;
- feedback from review of investment adviser for the previous year to 31 March;
- draft financial statements for the previous year to 31 March.

### **September quarterly meeting**

- EY's annual audit results report for the previous year to 31 March;
- Fund risk register;
- compliance checklist against tPR's code of practice;
- annual performance review (by Portfolio Evaluation).

### **November quarterly meeting**

- internal control reports for all investment managers and custodian;
- MHCLG statistical release for prior year;
- annual training needs analysis for Board and Panel members;
- review MiFID II documentation and status.

## **D Past reviews carried out by the Panel**

<b>Service reviewed</b>	<b>Date of appointment /review</b>	<b>Appointed</b>
Property managers	September 2001	Schroder BlackRock
M&G (active global equity manager)	October 2015	Baillie Gifford appointment deferred
Assets "parked" with Legal and General	September to December 2016	Legal and General
Active bond fund manager	March 2011	Wellington

**APPENDIX 6**  
**(continued)**

Passive fund manager Fee reviews took place in November 2015 and March 2016	September 2001	Legal and General (current fees applicable from 1 April 2016)
<b><i>Private equity fund of funds</i></b>		
Private Markets III	January 2006	Morgan Stanley
Global Distressed Opportunities	December 2006	Morgan Stanley
NB Crossroads XVIII	January 2007	NB Alternatives
Private Markets IV	December 2007	Morgan Stanley
NB Crossroads XX	June 2014	NB Alternatives
Pantheon Global Select 2017	April 2017	Pantheon
<b><i>Infrastructure managers</i></b>		
GIP II	May 2012	Global Infrastructure Partners
Antin Fund II	September 2013	Antin Infrastructure Partners
Custodian	September 2001 Reviewed in 2006, then 2010 Revised fee in 2013	Northern Trust Company
AVC provider	March 2001 Reviewed in 2005 Reviewed in 2009	Prudential
Whole Fund structure	October 2009 October 2014 October 2016	N/A
Panel adviser	March 2009	Mercer
Actuary	October 2000 July 2012	Aon Hewitt
Share voting advice Shareholder engagement	April 2004 April 2017	PIRC LAPFF
Performance measurement provider	August 2016	Portfolio Evaluation
Currency hedging of 50% of holdings in Legal and General's passively managed funds:		Legal and General
- FTSE North America Index Fund	April 2017 (\$1.50 to £ limit)	
- FTSE Developed Europe (ex UK) Index Fund	May 2017 (€1.25 to £ limit)	
Shared administration service	January 2018 (for 12 year term plus 3s)	Tyne and Wear Pension Fund