

## CLWYD PENSION FUND COMMITTEE

<b>Date of Meeting</b>	Tuesday, 8 November 2016
<b>Report Subject</b>	Delegated Responsibilities and Urgent Delegations
<b>Report Author</b>	Clwyd Pension Fund Manager

### **EXECUTIVE SUMMARY**

To enable Committee to monitor delegations to Officers they are usually included with the separate agenda items for governance, investment and funding and administration. However, due to the short period of time since the last Committee meeting on the 27 September no separate agenda items for those areas are provided at this Committee meeting. Consequently, the use of delegated responsibilities since the last Committee meeting is reported here, additionally, this agenda item includes details of two urgent delegations.

- (a) There are none for Governance.
- (b) Investment and Funding (Appendix 1) - This details the responsibilities which have been delegated to officers since the last Committee meeting. These include, cash management, short term tactical decisions, investments in new opportunities and monitoring of fund managers. There are no items of exception to report.
- (c) Administration (Appendix 2) - This details the responsibilities which have been delegated to officers since the last Committee meeting.
- (d) Urgent Delegations (Appendix 3) – There are two urgent delegations which have been used since the last Committee meeting to enable progress with implementation of:
  - Employer liaison team
  - Altair hosting

### **RECOMMENDATIONS**

1	That the Committee note the use of delegated responsibilities and urgent delegations.
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## **REPORT DETAILS**

<b>1.00</b>	<b>GOVERNANCE RELATED MATTERS</b>
	<b>Delegated Responsibilities</b>
1.01	<p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals as follows:</p> <p>(a) Governance</p> <p>No delegated responsibilities were used since the last Committee meeting in relation to governance matters.</p> <p>(b) Investment and Funding</p> <p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. Appendix 1 updates the Committee on the areas of delegation used since the last meeting. To summarise:</p> <ul style="list-style-type: none"> <li>• There is sufficient liquidity to meet short term requirements.</li> <li>• Shorter term tactical decisions continue to be made by the Tactical Asset Allocation Group (TAAG).</li> <li>• The Fund's strategic allocation is mainly within the SIP ranges. The exception is Stone Harbour, Multi Asset Credit, who are marginally outside. No action has been taken at present due to the "light touch" Investment Review.</li> <li>• There are no significant matters to bring to the attention of the Committee as a result of the Fund Manager monitoring meetings.</li> </ul> <p>(c) Administration</p> <p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. Appendix 2 updates the Committee on the areas of delegation used since the last meeting. To summarise:</p> <ul style="list-style-type: none"> <li>• A number of new employers have been admitted into the Fund. Expressions of interest continue to be received from various employers</li> </ul>
1.02	<p>Since the last Committee meeting officers have used two urgent delegations. Appendix 3 updates Committee on the these delegations which are summarised below:</p> <ul style="list-style-type: none"> <li>• Employer Liaison Team – further work to develop the team has been undertaken in relation to the responsibilities the team which it is envisaged will consist of seven posts in total, two of which are existing posts.</li> <li>• Altair hosting – Currently FCC IT Department provides the servers on which the Aquila Heywood Altair software is hosted. Following an issue with disaster recovery, which is ongoing, together with a number of benefits, work towards the implementation of external hosting of IT servers and data management by Aquila Heywood is progressing.</li> </ul>

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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>It is envisaged that the employer liaison team will require an additional five posts with an additional salary budget in the region of £153,000. It is expected that a large proportion of this will be recharged to specific employers taking advantage of the services provided by this team. This will be done via an increase in the employers' pension contribution rate at the next Actuarial Valuation. It is expected that there will be some costs that will not be employer specific due to the team also being responsible for communication matters, as a minimum.</p> <p>Externalising the hosting of IT servers and data management will result in additional costs. There will be a one-off cost of £24,585 for implementation together with an annual fee of £108,730. Implementation of the hosting prior to the implementation of member self-service has reduced costs by £54,000.</p> <p>The Fund's Business Plan will be updated for these additional costs.</p>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	<p>The plan to create an employer liaison team has been shared with the three unitary authorities and other employers, who have welcomed the proposition.</p>

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The introduction of an employer liaison team and Altair hosting will positively impact on the following Administration and Communication Risks:</p> <ul style="list-style-type: none"> <li>• A2: Employers are unable to allocate sufficient resources to pension matters thus impacting on the service to members or lead to breaches.</li> <li>• A5: Systems are not kept up to date or not utilised appropriately.</li> <li>• A6: System failure or unavailability.</li> </ul>

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1 - Delegated responsibilities – Funding and Investment  Appendix 2 - Delegated responsibilities – Administration  Appendix 3 – Urgent delegations</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p>Clwyd Pension Fund Risk Register</p> <p><b>Contact Officer:</b> Philip Latham, Clwyd Pension Fund Manager  <b>Telephone:</b> 01352 702264  <b>E-mail:</b> philip.latham@flintshire.gov.uk</p> <p>Clwyd Pension Fund Risk Register.</p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p>(a) <b>SIP (Statement of Investment Principles):</b> the main document that outlines our strategy in relation to the investment of assets in the Clwyd Pension Fund.</p> <p>(b) <b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>(c) <b>Liquidity:</b> refers to the availability of those assets that are available to be used at very short notice (e.g. cash).</p> <p>(d) <b>TAAG (Tactical Asset Allocation Group):</b> this group comprises the Clwyd Pension Fund Manager and the Investment Consultant supported by officers of both the Fund and JLT and discusses how the 9% of the total fund assets are allocated on a tactical basis.</p> <p>(e) <b>Altair (Altair LGPS):</b> this is a pension administration platform developed specifically for local government pension schemes.</p>