

Pension Fund Committee

Meeting to be held on 2 July 2015

Electoral Division affected: None

Responsible Investment - Participation in Local Authority Pension Fund Forum Mentoring

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Executive Summary

At its meeting on 5 June 2015 the Pension Fund Committee considered an update on activities related to 'Responsible Investment (RI)'. The report included information on a mentoring scheme to be offered by the Local Authority Pension Fund Forum (LAPFF). The Committee was asked to consider the desirability of committee members participating in the scheme which, though aimed at officers and managers working in the Pensions industry, will be widened to include councillors (as trustee equivalents) if there is a sufficient demand.

It was agreed that the issue should be held over pending consultation with the Chair and a further report brought to the 2 July 2015 meeting.

This report reflects the outcome of consultation with the Chair.

Recommendation

- (i) That the Committee awaits feedback on the benefits of the mentoring scheme from an officer of the Fund who has volunteered to participate in the first phase;
- (ii) That, subject to receiving positive feedback, the Committee considers and seeks to facilitate member participation in future phases.

Background and Advice

At its meeting on 5 June 2015 the Pension Fund Committee was informed that LAPFF had launched a mentoring scheme to support investment officers and managers working in the Pension industry. The scheme will be widened to include councillors (as trustee equivalents) if there is a sufficient demand.

As a long standing member of LAPFF, the Committee was asked to give consideration to the Fund facilitating the participation of one or more of its committee members in the mentoring scheme.

Reflecting that the new Chair of the Pension Fund Committee was unable to attend the 5 June meeting it was agreed that the matter should be held over until his views could be sought and it was resolved that a further report on the LAPFF mentoring scheme would be received at the meeting scheduled for 2 July 2015.

LAPFF exists to promote the investment interests of local authority pension funds. Working collaboratively via LAPFF offers LCPF a valuable opportunity to gain experience and insight from other funds and to place Lancashire's support behind campaigns and initiatives supporting the interests of funds within the Local Government Pension Scheme. It is intended that as part of developing its approach to RI the Fund will increase its involvement with LAPFF and explore the wider opportunities associated with its membership of the forum.

The mentoring scheme to be offered by LAPFF for the first time during 2015 seeks to provide additional support to investment officers and managers within the local authority pensions sector.

The scheme will partner participants based on a questionnaire designed to identify the type of input and insight being sought by the mentee and to align this requirement with the knowledge and expertise available from experienced practitioners who have volunteered to act as mentors.

Recognising a clear benefit from accessing the wider pool of experience and expertise represented by the LAPFF community, it has been agreed that as part of her professional development the Fund's newly appointed Financial Policy Officer will volunteer to participate in the first phase of the scheme.

The Financial Policy Officer will be asked to reflect and report back to the Committee on her experience of the LAPFF Mentoring Scheme and to offer insight on opportunities to participate in the scheme which offer the greatest prospective benefit to Committee members. This approach recognises that when first-hand experience of the new mentoring scheme is available, including insight into how the mentoring operates in practice and the level of commitment involved, the Committee will be in a better position to:

- Determine whether it would be feasible and worthwhile for members of the Committee to participate;
- Consider whether the opportunity for one or more committee members to participate in the LAPFF mentoring scheme is something they would like to pursue.

Consultations

The Chair of the Pension Fund Committee.

Implications

It is a key component of good governance that the Fund is an engaged and responsible investor and complies with the requirements of the Stewardship Code.

Facilitating knowledge development by those who serve on decision-making bodies is an important component of strong corporate governance and reflects the obligation on public sector pension schemes to comply with the CIPFA Code of Practice on Public Sector Knowledge and Skills and apply the Pensions Finance Knowledge and Skills Framework (KSF). KSF outlines the skill set required of those responsible for financial management and decision-making in pension schemes.

Risk management

There are no material risks associated with the proposal, which is to delay the consideration of member participation in the mentoring scheme pending further information.

The opportunity to participate in mentoring is only one of a variety of approaches available for developing the knowledge and skills of Pension Fund Committee members and is acknowledged to be a potentially time consuming option. Further information will enable a more informed view of both the benefits of participation and the time commitment and level of cost associated with this route versus other options for developing the knowledge and skills of Committee members.

List of Background Papers

Paper	Date	Contact/Tel
Report to Pension Fund Committee - 'Responsible Investment'	5 June 2015	Dave Gorman, (01772) 534261,

Reason for inclusion in Part II, if appropriate

N/A