

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pension Fund Committee

Date: 28 February 2022

Subject: Pension Fund Consultant Review

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Responsible Director: Phil Triggs, Tri-Borough Director of Treasury and Pensions

SUMMARY

The Competition and Markets Authority (CMA) requires that the Pension Fund establish aims and objectives for its investment consultant.

This paper provides the Pension Fund Committee with a performance review of the Pension Fund's investment consultant, in line with the agreed set of aims and objectives.

RECOMMENDATIONS

1. The Pension Fund Committee is recommended to note and comment on the report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Financial Impact

None

Legal Implications

None

DETAILED ANALYSIS

Background

1. In December 2019, the Competition and Markets Authority's (CMA) Investment Consultancy and Fiduciary Management Investigation Order 2019 came into effect, following an extensive review into the industry. This required all pension funds to set formal aims and objectives for their investment consultants.
2. The Committee approved its set of investment consultant aims and objectives on 26 November 2019, against which the consultant performance for 2020 has been reviewed.
3. A detailed assessment of the consultant's performance is included in Appendix 1 to this paper.

Performance Against Aims and Objectives

1. The consultant's objectives have been broken down into the following sub-categories:

Assistance in Achieving the Fund's Objectives

2. The consultant scored an Excellent performance rating against all the objectives in this category by advising the Pension Fund on its investment strategy reviews throughout the year.

Governance and Costs

3. The consultant scored an Excellent performance rating against all the objectives in this category including carrying out due diligence on behalf of the Pension Fund on existing and prospective investments.

Proactivity/Keeping Informed

4. The consultant scored an Excellent performance rating against all the objectives in this category by providing training on new asset classes and suggesting potential investment options for the Sub-Committee to explore.

Monitoring

5. The consultant scored an Excellent performance rating against all the objectives in this category, providing the Sub-Committee with a quarterly monitoring report on investment manager performance

Delivery

6. The consultant had an Excellent performance rating against most of the objectives, although a couple areas of improvement were identified regarding the delivery of reports to officers and the breakdown of costs relating to work carried out on behalf of the Pension Fund.
7. As shown in Appendix 1, the consultant's performance over the past year has been to an Excellent standard and the Pension Fund remains pleased with the work that the consultant continues to carry out in advising the fund on its investment strategy.

LIST OF APPENDICES

Appendix 1: Investment Consultant Review