

Bath & North East Somerset Council		
MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	22 MARCH 2019	AGENDA ITEM NUMBER
TITLE:	Strategic Review 2019 – Draft Plan	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Draft Plan		

1 THE ISSUE

- 1.1 The Investment Strategy is designed to meet the long term funding objective, which is to generate returns to meet the Fund liabilities with an appropriate level of risk. It also has to ensure that employer contribution rates are both affordable and stable over time.
- 1.2 In line with best practice the Fund periodically reviews its strategic policy in order to ensure the investment strategy can still deliver in line with the funding objective. The review in 2019 will reflect the outcome of the 2019 valuation and take into account the transition plan for pooling the Fund’s assets in the Brunel Pension Partnership.
- 1.3 Fund officers have drafted the plan for the Strategic Review with Mercer, the Fund’s advisor. The draft plan is set out in Appendix 1. The Panel were asked to comment on the draft plan at their meeting on 27 February and their feedback has been incorporated to the plan.

2 THE RECOMMENDATION

That the Committee:

- 2.1 Agrees the plan for the Strategic Investment Review**

3 FINANCIAL IMPLICATIONS

3.1 Estimated costs for the Strategic Review 2019 will be provided for in the 2019/20 budget (to be agreed at March 2019 Committee meeting).

4 DRAFT PLAN

4.1 The draft plan includes all aspects of the current strategy that need to be reviewed. This includes both asset allocation and risk management including the Fund’s current equity protection strategy and its approach to managing the financial risks arising from climate change.

4.2 The draft plan includes a timetable for the review. The timing is affected by the local elections in May 2019 which will affect the membership of the Committee. The plan allows time for sufficient introductory training for new members.

5 RISK MANAGEMENT

5.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. The creation of an Investment Panel further strengthens the governance of investment matters and contributes to reduced risk in these areas.

6 EQUALITIES

10.1 An equalities impact assessment is not necessary.

7 CONSULTATION

7.1 N/a

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 Are set out in the report.

9 ADVICE SOUGHT

9.1 The Council's Section 151 Officer has had the opportunity to input to this report and have cleared it for publication.

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Background papers	
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