

GREATER MANCHESTER PENSION FUND
POLICY AND DEVELOPMENT WORKING GROUP

8 March 2019

Commenced: 10.30am

Terminated: 11.45am

IN ATTENDANCE:

**Councillor Warrington
Councillor Cooney
Councillor J Fitzpatrick
Councillor Taylor
Councillor Quinn
Councillor Pantall
Mr Thompson
Sandra Stewart
Tom Harrington
Paddy Dowdall**

Euan Miller

**Dan Hobson
Neil Cooper
Andrew Hall
Kevin Etchells
Abdul Bashir**

UNITE

**Director of Pensions
Assistant Director of Pensions (Investments)
Assistant Director of Pensions (Local Investments & Property)
Assistant Director of Pensions (Funding & Business Development)
Senior Investments Manager
Senior Investments Manager
Investments Manager
Investments Manager
Investments Manager**

APOLOGIES FOR ABSENCE:

Councillor M Smith

19. DECLARATIONS OF INTEREST

There were no declarations of interest.

20. MINUTES

The Minutes of the proceedings of the meeting of the Policy and Development Working Group held on 20 December 2018, having been circulated, were agreed as a correct record.

21. INVESTMENT INITIATIVES – GLIL

The Assistant Director of Pensions, Local Investments and Property, submitted a report providing an update on progress with specific investment initiatives undertaken by the Fund, including GLIL. The report provided an update on:

- Investment activity;
- Performance;
- Pipeline; and
- Asset management activity.

Members were further asked to note certain specific actions which had been taken under delegated authority following consultation with the Chair.

RECOMMENDED

That the content of the report be noted, including the actions proposed on additional investment initiatives to be taken by officers in consultation with the Chair of the Fund.

22. IMPACT AND INVEST FOR GROWTH PORTFOLIOS

The Assistant Director of Pensions, Local Investments and Property, submitted a report providing an update on progress with specific investment initiatives undertaken by the Fund, including the impact and invest for Growth Portfolios.

RECOMMENDED

That the content of the report be noted.

23. MANAGER MONITORING REGIME INCLUDING MONITORING ESCALATION

The Assistant Director of Pensions, Investments, submitted a report detailing the Fund's approach to manager monitoring and summarised the results from the Monitoring Escalation Protocol as at 31 December 2018.

The overall status levels and courses of action taken (or to be taken) in relation to the results from the most recent Monitoring Escalation Protocol were summarised within the report.

It was explained that the Manager Escalation Protocol included performance as the sole metric by which the Securities Managers were initially assessed. There were a number of less quantitative, softer dimensions which could be used to form a view on the manager's prospects of outperforming going forward. These would include the quality of the staff and turnover of key personnel, a coherent and robust approach to linking the underlying philosophy of investing to the actual purchases and sales made, and the underlying investment philosophy itself.

A detailed discussion ensued in respect of individual managers' performance and it was:

RECOMMENDED

That the content of the report be noted.

24. POOLING UPDATE

The Director and Assistant Director of Pensions, Funding and Business Development, provided an update on recent activity of the Northern LGPS (formerly Northern Pool) and other relevant developments related to pooling assets across the LGPS in England and Wales.

It was reported that, on 3 January 2019, MHCLG Local Government Finance Reform and Pensions emailed stakeholders to advise that the Ministry had been preparing new statutory guidance on LGPS asset pooling. This was intended to set out the requirements on administering authorities, replacing previous guidance, and built on previous Ministerial communications and guidance on investment strategies.

MHCLG were inviting views on draft statutory guidance on asset pooling. This would be an informal consultation with interested parties only, including the Scheme Advisory Board, Pensions Committees, Local Pension Boards, the pool Joint Committees or equivalent, the Cross Pool Collaboration Group, the pool operating companies where owned by participating funds, CIPFA and ALATS. The consultation would remain open for 12 weeks and would close on 28 March 2019. Officers were considering what the impact of the proposals were to the Northern LGPS and GMPF.

A copy of the consultation document and the guidance it replaced were appended to the report.

The Assistant Director then outlined the timeline of events since the first mention of the Pooling agenda in the Summer budget in June 2015 and gave information in respect of the current situation and regulatory requirements and detailed progress versus the original criteria.

Detailed discussion ensued in respect of the draft guidance and in particular, how it impacted on the Northern LGPS and the implications for the Fund. Members further discussed the nature and content of the response to the consultation and considered the need for separate responses from the Fund and the Northern LGPS.

In terms of press coverage of the Northern LGPS, the Director of Pensions agreed to circulate details of press releases to date, for Members information.

RECOMMENDED

- (i) That the content of the report, including the recent progress of the Northern LGPS and the implications of the new pooling guidance recently released for consultation, be noted;**
- (ii) That separate responses to the consultation be submitted from Greater Manchester Pension Fund and Northern LGPS; and**
- (iii) That details of press releases to date in respect of Northern LGPS, be circulated to Members.**