

SURREY COUNTY COUNCIL**PENSION FUND COMMITTEE****DATE: 21 JUNE 2024****LEAD OFFICER: ANNA D'ALESSANDRO, INTERIM EXECUTIVE DIRECTOR,
FINANCE AND CORPORATE SERVICES****SUBJECT: COMPETITION & MARKETS AUTHORITY (CMA): INVESTMENT
CONSULTANT STRATEGIC OBJECTIVES****SUMMARY OF ISSUE:**

Local Government Pension Schemes (LGPS) are required to set strategic objectives for their Investment Consultant (IC) Provider and monitor performance against these objectives at least every three years.

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee:

- 1) Approve the updated Strategic Objectives for the IC of the Fund in line with CMA requirements.

REASON FOR RECOMMENDATIONS:

Performance monitoring of the IC meets CMA requirements and is consistent with the Fund's strategic investment objectives.

DETAILS:

1. At its meeting of 10 December 2021, the Surrey Pension Fund Committee approved the Strategic Objectives of the IC in line with CMA requirements, having previously agreed service level criteria on the IC's reappointment.
2. The CMA's expectation is that IC objectives will be reviewed at least every three years. At the December 2023 Committee meeting it was agreed that any revised objectives for the IC would be brought to the June 2024 Committee meeting.
3. The revised objectives are attached in Annexe 1. It is recommended that Objectives 8 and 12 be deleted, that 15 and 16 be merged and 17 have new wording.
4. The revised service level criteria are attached in Annexe 2. It is recommended that criteria i, l, o and p be removed as they are being fulfilled by the Responsible Investment consultant and/or officers.

CONSULTATION:

5. The Chair of the Pension Fund Committee has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

6. Risk management implications of the strategic objectives could involve how the IC advises the Fund in monitoring the risk attrition of its portfolio.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

7. There could be financial and value for money implications should the IC not meet its strategic objectives.

INTERIM EXECUTIVE DIRECTOR, FINANCE AND CORPORATE SERVICES COMMENTARY

8. The Interim Executive Director, Finance and Corporate Services is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

9. It is a legislative requirement to set and monitor performance against IC strategic objectives as part of the Investment Consultancy and Fiduciary Management Market Investigation Order 2019.

EQUALITIES AND DIVERSITY

10. There are no equality or diversity issues.

OTHER IMPLICATIONS

11. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

12. The following next steps are planned:

Assess performance of the IC versus the objectives. To be carried out in respect of 2024 and presented to the Committee at its meeting of 13 December 2024.

Contact Officer:

Lloyd Whitworth, Head of Investment & Stewardship

Consulted:

Pension Fund Committee Chair

Annexes:

1. Annexe 1 – Updated Strategic Objectives
2. Annexe 2 – Updated Service Level Criteria

Sources/background papers:

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