

Decisions of the Local Pension Board

9 November 2015

Board Members Present:-

Councillor Brian Salinger (Chairman) (Employer Representative)

Geoffrey Alderman (Vice-Chairman) (Employee Representative)

Luke Ward (Employee Representative)

Stephen Ross (Independent Member)

Tom Evans (Employer Representative)

Also in Attendance:

Councillor Peter Zinkin (Pension Fund Committee, Vice-Chairman)

Hem Savla (Substitute Employee Representative)

1. MINUTES OF LAST MEETING

RESOLVED that the minutes of the meeting held on 29 July 2015 be approved as a correct record.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

3. ABSENCE OF MEMBERS

None.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. BARNET PENSION FUND PERFORMANCE FOR QUARTER APRIL TO JUNE 2015

Iain Millar, Head of Treasury Services, introduced a report on Barnet Council Pension Fund Performance for Quarter 1 (April to June 2015) which had been considered by the Pension Fund Committee on 22 October 2015.

The Chairman welcomed Anne Gillies from State Street who gave a presentation on performance measurement including: return methodologies; manager benchmarks and performance; evaluation and measurement; asset allocation; and risk vs. return. The Chairman also welcomed Councillor Peter Zinkin, the Vice-Chairman of the Pension Fund Committee, who was in attendance to answer questions from Board Members.

The Board noted that the Pension Fund Committee had made a strategic decision to invest in a defensive portfolio which had impacted on returns. The Committee had at their meeting on 22 October 2015 agreed to amend their investment strategy to ensure improved investment return which would also result in the asset allocation being more closely aligned with the strategies of other local authority pension funds. It was noted that the direction of travel had changed and assets would be reallocated over the next 6 months to improve returns. It was noted that the next asset review would take place during 2016. Councillor Zinkin advised the Board that once the London Collective Investment Vehicle (CIV) had been established Barnet would have access to more providers. He added that the CIV might collectively agree areas of investment focus (e.g. infrastructure).

RESOLVED that the Board:

- 1. Receive a report on the impact of the London Collective Investment Vehicle at the next meeting on 10 February 2016.**
- 2. Request that officers provide further information on revisions to the Pension Fund Investment Strategy at the next meeting on 10 February 2016.**

8. ADMITTED BODIES ORGANISATIONS

Iain Millar, Head of Treasury Services, presented a report which provided an update on the status of admitted bodies organisations.

RESOLVED that the Pension Fund Committee be recommended to receive an update on the bond status of admitted bodies at their meeting on 3 February 2016.

9. PENSION FUND RISK REGISTER REVIEW

Iain Millar, Head of Treasury Services, presented a report which provided the Board with details of the Pension Fund Risk Register. The Board noted that pension fund risks had previously been included in the corporate risk register and had now been disaggregated.

The Board noted that the final risk on the register (strength of covenant of new employers / risk of financial loss to Pension Fund) had an incorrect risk assessment score. Officers undertook to correct this prior to it being considered and approved by the Pension Fund Committee.

Board Members questioned whether there was a risk to fund of having additional admitted bodies. Iain Millar and Councillor Zinkin advised the new admitted bodies would not necessarily be a risk to the fund. However, it was important to ensure that the contributions of active scheme members were sufficient to meet future costs of the fund (contributions vs. accruals).

RESOLVED that the Board note the Pension Fund Risk Register.

10. BOARD WORK PROGRAMME

The Board considered the work programme as set out in the agenda.

RESOLVED that:

- 1. The next meeting of the Board be scheduled to take place on 10 February 2016.**
- 2. The Board agreed that the items listed under 'Meeting date TBC' be reported to the 10 February 2016 meeting except for the 'Draft Annual Report to Pension Fund and Full Council' item which would be reported to Council in the 2016/17 financial year.**

11. ANY OTHER ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 8.15pm