

Decisions of the Local Pension Board

29 July 2015

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:

Hem Savla (Substitute Employee Representative)

Pending the appointment of a Chairman and vice-Chairman, the clerk opened the meeting and reported the absence of Members and sought nominations for the position of Chairman.

1. ABSENCE OF MEMBERS

There were none.

2. ELECTION OF CHAIRMAN AND VICE CHAIRMAN

RESOLVED-

1. That Councillor Brian Salinger be appointed as Chairman of the Local Pension Board
2. That Professor Geoffrey Alderman be appointed as Vice-Chairman of the Local Pension Board.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

There were none

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

There were none

5. REPORT OF THE MONITORING OFFICER (IF ANY)

There were none

6. MEMBERS' ITEMS (IF ANY)

There were none

7. APPROVAL AND ADOPTION OF THE TERMS OF REFERENCE

The Board considered the report. The Board asked officers to review why the Board's terms of reference prohibited the Independent Member from being the Chairman and requested a report back at the next meeting.

The Board

RESOLVED – to note the Terms of Reference set out in Appendix 2 of the report.

8. LOCAL PENSION BOARD CONSTITUTIONAL FRAMEWORK

The Board considered the report. Board Members agreed to complete the notification of Members Interest and provide a bio for the Local Pension Board internet page.

The Board

RESOLVED –

1. To note that members of the Board are required to comply with the Council's Members Code of Conduct and Conflicts of Interest Policy and the Local Government Pension Scheme (LGPS) Guidance on Conduct of Members and Conflicts of Interest.
2. To note that members of the Board are required to comply with the Council's Data Protection Policy and Information Security Policy.

9. BOARD KNOWLEDGE, UNDERSTANDING AND TRAINING

The Board considered the report.

Board Members agreed to complete the skills and self-assessment form and officer would also routinely circulate any upcoming Pension Training to Board Members.

The Board

RESOLVED –

1. to note the requisite level of knowledge and understanding required for the role and that members will be required to acquire this knowledge and understanding through self-assessment and training.
2. To instruct officers to develop a detailed Member Development Plan for Board Members

10. KEY POLICY DOCUMENTS OF THE BARNET PENSION FUND

The Board considered the report.

Board Members asked for the new Council Corporate Social Responsibility Policy to be incorporated in the review of the Statement of Investment Principles, currently being undertaken and for the results to be shared with the Board.

The Board

RESOLVED –

1. To note the Pension Fund's key strategy and policy documents.
2. To receive the results of the in the review of the Statement of Investment Principles.

11. BARNET PENSION FUND PERFORMANCE

The Board considered the report.

Board Members asked for WM Company Ltd to attend a training session or the next meeting to provide details on how the benchmarking is assessed.

The Board

RESOLVED –

1. To note the Barnet Council Pension Fund Performance for Quarter January to March 2015
2. To invite WM Company Ltd to attend a training session or the next meeting of the Board to provide details on the benchmarking assessment.

12. LOCAL PENSION BOARD BUDGET 2015/16

The Board considered the report.

The Board

RESOLVED – to note the Local Pension Board Budget for 2015-16.

13. LOCAL PENSION BOARD WORK PROGRAMME

The Board considered the report.

The Board

RESOLVED – to note the work programme.

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

There were none.

The meeting finished at 7.50 pm

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

Decisions of the Local Pension Board

10 February 2016

Members Present:-

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 9 November 2015 be approved as a correct record.

2. TERMS OF REFERENCE FOR THE LONDON BOROUGH OF BARNET PENSION BOARD

The Board note it's terms of reference.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None

4. ABSENCE OF MEMBERS

None.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

6. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

7. MEMBERS' ITEMS (IF ANY)

None.

8. BARNET PENSION FUND PERFORMANCE TO SEPTEMBER 2015

The Board considered the Officers reports and noted the circulation of appendix C.

The Head of Treasury, Iain Millar introduced the report. He advised the Board that the Pensions Fund Committee is to consider its fund profile which may lead to diversification. The Board questioned the Head of the Treasury and Councillor Peter Zinkin, the Vice-Chairman of the Pensions Fund Committee who was requested to make a presentation by the Chairman. Councillor Zinkin advised the Board Officer's report had been considered and determined by Pensions Fund Committee at its meeting on 03 February 2016.

Having considered the report the Local Pensions Board:

Resolved

- That the report be noted

9. ADMITTED BODIES ORGANISATIONS

The Head of Treasury, Iain Millar introduced the report. He advised that the Pensions Fund Committee had approved the report on 03 February 2015.

Having considered the report the Local Pensions Board:

- Noted the Officer's report

10. COMMITTEE WORK PROGRAMME

Resolved

- That the work programme be noted
- That the Board agreed their meeting dates below and noted the dates when the Pensions Fund Committee meetings will take place.
- That the Board requested that they receive any relevant training

2016/17	
Pension Fund	Pension Board
July 19 th	July 28 th
Oct 31 st	Nov 7 th
Jan 18 th	Jan 25 th
March 14 th	March 23 rd (provisional)

- The board noted its terms of reference and requested that items received provided assurance that it considers reports which are relevant to the remit of the Board.

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

There were no urgent items.

The meeting finished at 7.50pm

Decisions of the Local Pension Board

27 July 2016

Members Present:-

Councillor Brian Salinger (Chairman) (Employer Representative)

Geoffrey Alderman (Vice-Chairman) (Employee Representative)

Luke Ward (Employee Representative) Stephen Ross (Independent Member)

Also in attendance

Hem Savla (Substitute Employee Representative)

Apologies for Absence

Tom Evans (Employer Representative)

1. MINUTES OF LAST MEETING

The Chairman of the Local Pension Board, Councillor Brian Salinger welcomed all attendants to the meeting.

It was RESOLVED that the minutes of the previous meeting held on 10th February 2016, be agreed as a correct record.

2. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS

None.

3. ABSENCE OF MEMBERS

Apologies for absence received from Mr Tom Evans.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None were received.

5. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. BARNET PENSION FUND PERFORMANCE FOR QUARTER JANUARY TO MARCH 2016

The Chairman introduced the item which summarises the Pension Fund investment manager performance for January to March quarter 2016 and was reported to the Pension Fund Committee (PFC) on 19 July 2016.

Iain Millar presented the report to the Board and noted that the Pension Fund Committee had expressed their preference to receiving an update on the performance for January to June 2016. The Board received a summary of the discussion at the meeting of the Pension Fund Committee.

In response to a query from the Board about the effects of Brexit on the performance of the Pension Fund, Mr Millar stated that the views expressed by the fund management companies' representatives at the PFC meeting was that it was too early at this stage to provide exact performance figures. Following the diversification and asset reallocation of the Fund in the short term, there had been a positive increase in recent fund performance.

Following a request from the Board for information, Mr Millar noted that fund managers will be asked about their approach in relation to the US elections in November 2016.
(Action)

Mr Stephen Ross queried whether the figures given provided a benchmark of the gross of fees. Following discussion, Mr Millar briefed the Board about the request made by the PFC to ensure that the Independent Investment advisor reconcile performance figures with the fund management representatives in respect of data from Newton Investment Management and Schroder Investment Management. This would ensure that there would be consistent reporting on the same basis from the independent investment advisors and the fund management representatives.

In relation the fund management companies' fees, Mr Ross requested that in addition to percentage figures, the actual figures paid be circulated to the Board for information.

It was RESOLVED:

That the Board noted and provided comments as above on the Barnet Council Pension Fund Performance for Quarter January to March 2016.

8. UPDATE ON ADMITTED BODIES ORGANISATIONS

The Chairman introduced the update report on the Admitted Bodies participating in the Local Government Pension Scheme administered by LBB. The Board heard about the discussions at the PFC meeting and noted that the Committee had raised concerns about shortfall of contribution payments and issues with small admitted bodies finding a bond provider.

To ensure Council risk is mitigated, the Board noted that PFC had requested an update report at its next meeting. The Board will also receive the update report at its next meeting. **(Action)**

It was RESOLVED:

That the Board noted the Barnet Council Pension Fund Admitted Bodies Organisations.

9. LONDON COLLECTIVE INVESTMENT VEHICLE UPDATE AND RESPONSE TO LOCAL GOVERNMENT PENSION SCHEME REFORM CONSULTATION

Board Members were briefed about the presentation delivered to the Pension Fund Committee. The Board also heard about the benefit of achieving efficiencies through pooling into London Collective Investment Scheme which had received full authorisation by the Financial Conduct Authority.

In addition, Mr Millar stated that the London CIV would be in a good position to respond effectively to further calls for national pooling of funds.

Following a comment from the Board, it was noted that downward pressure on fund management fees is likely to continue which would need to be balanced against fees towards effective management.

The Board noted that a future update report on London CIV will be brought back to this Board following initial reporting to the Pension Fund Committee.

Following a query from the Board, Mr Millar informed Board Members about the governance structure of the London CIV which involves the individual London Boroughs. Mr Millar also noted that in relation to the London CIV governance arrangements, the respective independent investment advisors would be retained for the individual Boroughs.

The Board requested information about the costs for the transition process for Newton Investment Management Limited and Schrodgers Investment Management Limited. This information would be circulated to the Board when available. **(Action)**

The Chairman thanked the Board for the discussion.

It was **RESOLVED:**

That the Board noted and provided comment as above on the London Collective Investment Vehicle Update and Response to Local Government Pension Scheme Reform Consultation.

10. ANNUAL UPDATE REPORT

The Chairman introduced the report which was noted by the Board. The Board also noted that the report will be taken to the Pension Fund Committee and Full Council to note.

It was **RESOLVED:**

- 1. That the Local Pension Board noted the update on: the summary of the work undertaken by the Board; its terms of reference; the work programme for the Board; details of training undertaken by Board members as set out in paragraph 1.7; and details of conflicts of interests and how they were managed as set out in paragraph 1.9.**

2. That the Local Pension Board noted and commented as set out in the minutes of Agenda Item 11 (Work Programme) on the annual work plan attached at Appendix C and agree to it being referred to the next meeting of the Pension Fund Committee.

11. COMMITTEE WORK PROGRAMME

The Chairman introduced the items on the Forward Plan which is a standing item on the agenda and lists the items for 2016/2017.

The Chairman requested that Board Members receive email notification with links to the published Pension Fund Committee papers and minutes going forward. **(Action)**

The Board requested that an update be circulated to the Board about core competencies, refresher training and invitations to Pensions seminars. It was agreed that officers will be discussing the approach forward in consultation with the Chairman and circulate to the Board accordingly. **(Action)**

The Board agreed that the holding date of 23rd March 2017 be confirmed as its March meeting date.

It was agreed that Mr Millar would discuss the option of reporting an update on the administration of the LGP Scheme with the Chairman and agree when it would be reported to the Board. **(Action)**

The Chairman thanked the Board for their contribution.

It was **RESOLVED:**

That the Committee considered and commented as above on the items included in the 2016- 17 work programme.

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

None.

The meeting finished at 8.10 pm