

Decisions of the Pension Fund Committee

21 November 2019

Cllr Mark Shooter (Chairman)
Cllr Elliot Simberg (Vice-Chairman)

John Marshall
Anthony Finn

Anne Hutton
Alison Moore

Danny Rich

1. MINUTES:

RESOLVED

That the Minutes of the meeting held on 09 September 2019 be approved.

2. ABSENCE OF MEMBERS:

None.

3. DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS:

Councillor John Marshal declared a non-pecuniary Interest by virtue of being beneficiary of LGP Scheme and/or having shareholdings in a number of companies that the fund had invested in.

4. PUBLIC QUESTION (IF ANY):

None.

5. REPORT OF THE MONITORING OFFICER (IF ANY):

None.

6. MEMBERS' ITEMS (IF ANY):

None.

7. 2019 TRIENNIAL VALUATION UPDATE AND FUNDING STRATEGY STATEMENT:

Mr George Bruce introduced the item explaining that the Actuary continued to review the valuation data with no results currently available.

Councillor Alison Moore outlined her concerns at the triennial valuation delay and the time available to discuss the results. Councillor Marshall noted that historically there had been an issue with external data.

Resolved

1. That the Pension Fund Committee noted the comments made in respect to the 2019 triennial valuation timetable.

2. That the Pension Fund Committee delegate authority to the Director of Finance to consult on the draft Funding Strategy Statement with employers and the Local Pension Board.
3. That the committee requested that the next meeting taking place on 26 February 2020 be moved to earlier in the month in order for the committee to consider the Triennial Valuation data.

8. THE PENSIONS REGULATOR UPDATE:

Mr George Bruce introduced the item. He noted that Further to the Improvement Notice issued by The Pensions Regulator (TPR) on 25 July 2019 to London Borough of Barnet to address weaknesses in the processes and controls within the administration of the Barnet Pension Fund, this paper updates the Board on the on-going communications with TPR. Although work remained to address administration weaknesses, the Regulator noted improvements in data quality and did not intend to take further action at the current time.

Councillor Moore raise a number of concerns in respect to the number of errors, she noted that a significant number of resources had been applied by the Council in order to provided remedy.

The Chairman noted that it could be possible that a report be submitted to the next meeting of the Policy & Resources Committee. Councillor Moore reminded that she submitted a Members Item in respect to this and questioned if Capita were able to deliver its administration function on behalf of the Council. The Chairman suggested that she submit a Members Item to Policy and Resources Committee who had decision making authority.

Councillor Simberg made comments in respect to schemes members that had who had not been informed that they may have a tax liability relating to the annual pension allowance. It was noted that support had been put in place in order for assistance to be provided.

The Chairman stated the Council were working well with the administrator and stated that progress had been made. He said that a report to P&R could be submitted and encouraged Cllr Moore to submit a Member's Item.

Having considered the report, the Committee:

Resolved

The Pension Fund Committee is asked to note the most recent correspondence with the Regulator and the further actions being taken to address the new issues arising.

9. ADMITTED BODY AND BOND STATUS UPDATE:

Mr George Bruce provided an update on the outstanding admission agreement, cessations and bonds noting that with priority being given to the triennial valuation that there was limited progress.

Having considered the report, the Committee:

Resolved:

That the Pension Fund Committee note the outstanding work in connection with admissions, cessations and bonds and asked that progress be made before the next Committee meeting.

10. INVESTMENT PERFORMANCE FOR THE QUARTER TO 30 SEPTEMBER 2019:

Investment Associate Consultant Mr Yoel Deal from Hymans Roberts introduced the report. He outlined that the report summarised the Pension Fund investment managers' activity during the three months to 30 September 2019 together with fund manager performance in the quarter.

Having considered the report, the Committee:

Resolved:

That the Pension Fund Committee note the performance of the Pension Fund for the quarter to 30 September 2019.

11. STRATEGY UPDATE AND INVESTMENT IN EMERGING MARKET EQUITY FUND:

The Chairman introduced the report follows on from the investment strategy discussions at recent meetings and provides an update on implementation of decisions made by the Committee and contains a recommendation in respect of emerging market equities.

- That the Pension Fund Committee reconfirm an investment of 5% (£60 million) in the LCIV Emerging Market Equity Fund.
- That the Pension Fund Committee agree to delegate authority to the Finance Director to take actions to implement recommendations 1.
- The Pension Fund Committee further agreed to stagger the investment.

12. RESPONSIBLE INVESTING:

The Chairman introduced the report. Members were supported of further consideration being given to incorporating responsible (environmental, social and governance) themes into the investment strategy. A survey was suggested to determine the areas on which the Committee could reach a consensus.

Having considered the report, the Committee:

Resolved

That the Pension Fund Committee agreed to undertake a survey of Committee and Board Member investment beliefs.

13. REVIEW OF THE PERFORMANCE OF ADVISORS:

The Chairman introduced the report. The Committee noted the support by external advisors and service providers. It was noted that these appointments are periodically renewed. The Chairman said that the paper noted the contract expiry dates for the service providers and advisors.

The Committee discussed at length at the position of its independent advisory providers. The Committee noted that a tender for any new contractors would be implemented in

2020. It was noted that Hymans Robertson reporting was out of syncs with the Council's reporting cycle which should be looked at.

Having considered the report, the Committee:

Resolved

That the Pension Fund Committee identified feedback in respect to the providers and duly noted the report.

14. PENSION FUND COSTS AND EXPENSES:

Mr George Bruce introduced the report. He therefore summarised the Pension Fund costs that incurred up to 30th September 2019, and the estimated costs for the year to 31st March 2020.

Councillor Alison Moore requested that Officers are robust in terms of getting maximum transparency in fees, fee structuring and fee levying.

Having considered the report, the Committee:

Resolved

That the Committee noted the scheme costs to 30.09.19, and the estimate up to 31.03.2020.

15. PENSIONS FUND COMMITTEE WORK PROGRAMME:

The Pension Fund Committee noted the work programme and further noted that that a new meeting may be added in order to give consideration to Triennial Valuation data.

16. ANY ITEM(S) THAT THE CHAIRMAN DECIDES IS URGENT:

None.

The meeting finished at 21:00