

Pensions Board Minutes



Wednesday 4 June 2025

PRESENT

Committee members: Councillors Ashok Patel (Chair) and Nikos Souslous

Co-opted members: Bruce Mackay and William O'Connell

Officers: Eleanor Dennis (Head of Pensions), Patrick Rowe (Strategic Finance Manager) and Sian Cogley (Pension Fund Manager)

1. APPOINTMENT OF CHAIR AND VICE-CHAIR

RESOLVED: That the Pensions Board appointed Councillor Ashok Patel as Chair and Councillor Nikos Souslous as Vice-Chair for the 2025-26 municipal year.

2. APOLOGIES FOR ABSENCE

Apologies were received from Andy Sharpe.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the Pensions Board agreed the open minutes of the meeting held on 12th February 2025.

5. MINUTES OF THE PREVIOUS PENSION FUND COMMITTEE

RESOLVED: That the Pensions Board agreed the open and exempt minutes of the Pension Fund Committee meeting held on 5th March 2025.

6. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which provided a summary of the performance of the Local Pension Partnership Administration (LPPA) for Q4 covering the period January to March 2025. The overall quarterly KPI performance in Q4 was 98.7% which was an improvement on 98.1% in Q3. Performance above target was achieved in 100% of all case types in Q4 and Q3.

The Chair congratulated officers on the continued improvement of the service. He asked why refunds had gone from 97.7% in Q3 to 97.6% in Q4. Eleanor Dennis explained that the percentage was based on a low number of cases compared to other clients. She added that this change would be due to a reallocation of resources to ensure all cases were processed on time.

The Chair asked for clarification on why there were refunds being issued to members. Eleanor Dennis clarified that there were refunds where members had less than 3 months of service and no liability in the pension scheme. She added that they would be refunded on the employee contributions, but the employer contributions stayed in the pension scheme.

RESOLVED: That the Pensions Board noted the report.

7. PENSION ADMINISTRATION UPDATE

Eleanor Dennis (Head of Pensions) introduced the report which covered a summary of activity in key areas of pension administration for the Council's Pensions Fund. There had been fluctuations in member satisfaction, the reasons behind this were being analysed and the team were awaiting the outcome of that analysis. The team had been busy consulting with members regarding their retirements.

Councillor Nikos Souslous sought a breakdown of the member satisfaction figures. Eleanor Dennis provided the figures that showed 8 responses from members, with 7 being satisfied. There were 33 cases and therefore most didn't respond, but from the ones that did, most were satisfied. She added that there was work to be done to understand why there were not more responses.

William O'Connell asked whether members of the pension scheme would be notified if they were affected by the McCloud judgement. Eleanor Dennis confirmed that the affected members has already been notified.

The Chair questioned why there were overpayments written off totalling £39,647.59 in Q4. Eleanor Dennis explained that this related to legacy bereavement cases, the team had worked with administrators to recover money over several years but once 5 years had passed, they were legally obliged to write it off. She added that they were working on a more robust system for current cases that allowed for quicker identification of overpayments. The Chair commented that the pensions team could use the fact that banks would flag money being paid into a frozen account once someone had deceased as a way of knowing if there had been an overpayment. Eleanor Dennis noted the Chair's comment.

The Chair asked what the benefits would be of the new pensions' dashboard. Eleanor Dennis explained that residents would be able to access all their pensions in one place, including old pensions that they may have forgotten about, this was designed to allow people to access more of their private pension, meaning less reliance on state pensions.

The Chair sought clarification on paragraph 2 on page 25 of the agenda pack, which mentioned errors meaning LPPA had to support employers. Eleanor Dennis clarified

that employers submitted monthly data, but some employers struggled to submit the data in the correct format.

RESOLVED: That the Pensions Board noted the report.

8. PENSION FUND QUARTERLY UPDATE Q4 2024

Sian Cogley (Pension Fund Manager) introduced a report which highlighted the performance to the quarter ended 31st December 2024. Since the agenda had been published, more recent information had become available.

- Over the quarter to 31 March 2025, the market value of the assets decreased by £19m to £1,409m.
- The Fund has underperformed its benchmark net of fees by 0.05%, delivering an absolute return of -1.27% over the quarter.
- The total Fund delivered a positive return of 3.73% on a net of fees basis over the year to 31 March 2025.

On the 15th January 2025, officers submitted the Pension Fund's response to the Fit to the Future consultation. This had previously been shared with both the Committee and Board as an appendix to the quarterly update. On 29 May 2025, the consultation outcome was released, alongside the final report on the Pensions Investment Review which covered both Defined Contribution (DC) and Defined Benefits (DB) Schemes. The Local Govt. Pension Scheme fell under a DB scheme.

William O'Connell questioned whether it was wise to be 5% over benchmark for equity in the current uncertain times. Sian Cogley explained that this would be discussed as part of the quarterly performance update at Pension Fund Committee on 25th June. She added that as the fund was currently in the process of being revalued, it was likely that the investment strategy would be revised at the end of the year.

The Chair asked for clarification on the Liabilities in Appendix 1 and what they were. Sian Cogley explained that they were the present value of the pensions due to be paid to members.

The Chair raised concern regarding the LCIV Global Equity fund and specifically that there was a negative return both quarterly and annually. Patrick Rowe (Senior Finance Manager) explained that this was the performance of the fund against a benchmark and that the benchmark was a hard benchmark to hit, this was because the benchmark calculation included cash, that was currently performing well.

The Chair referred to page 44 of the agenda pack, and questioned why the LCIV Asset Manager, Ruffer, failed to take advantage of the upturn in the market following Donald Trump's election victory in the USA. Patrick Rowe explained that the fund wasn't positioned to benefit from the rise in equities because they weren't sufficiently allocated in their assets under management to equities.

The Chair commented that the role of the asset manager was to respond to the changing markets and questioned why Ruffer was not live to the upturn in the market. Patrick Rowe confirmed that this was the case and especially for an active

manager such as Ruffer but explained that Ruffer's mandate was to offer an uncorrelated position in the portfolio so that they're well placed to benefit when equities fell.

The Chair asked whether Aberdeen Long Lease was a commercial or residential investment. It was confirmed that it was a commercial investment.

The Chair commented that 26 years felt too short for a long lease. Sian Cogley told the Board that 26 years struck a balance between income durability and adapting to the market.

The Chair questioned whether there was a lock in period for the Aberdeen fund. Patrick Rowe confirmed that it was not a close ended fund and therefore a redemption request could be put in and this would be actioned usually within 6-12 months.

The Chair asked what percentage of the whole portfolio were in liquid funds and if that was mainly property based. Sian Cogley told the Board that 19% of the portfolio were in illiquid funds and this mainly came from infrastructure and fixed income mandates.

The Chair referred to the table in Appendix 3 and specifically the row regarding Net Expenses/Other transactions and questioned why the figure for December 2024 was circa £12m when all other months were closer to £400k. Sian Cogley explained that some money had been received in that period which had been transferred from the bank account to the custodian account.

RESOLVED: That the Pensions Board noted the report.

9. DATE OF THE NEXT MEETING

The next meeting of the Pensions Board was to be on 4th March 2026.

Meeting started: 7:03pm
Meeting ended: 7:46pm

Chair

Contact officer Liam Oliff
 Committee Co-ordinator
 E-mail: Liam.Oliff@lbhf.gov.uk