

Pension Fund Sub-Committee

Minutes

Tuesday 24 November 2020

PRESENT

Committee members: Councillors Iain Cassidy (Chair), Rebecca Harvey, PJ Murphy and Matt Thorley

Co-opted members: Michael Adam

Officers: Phil Triggs (Director of Treasury and Pensions) Timothy Mpofu (Pension Fund Manager), Matt Hopson (Strategic Investment Manager), Emily Hill (Director of Finance), Rhian Davies (Director of Resources), Dawn Aunger (Assistant Director Transformation, Talent and Inclusion), David Hughes (Director of Audit, Fraud, Risk and Insurance), Eleanor Dennis (H&F Pensions Manager)

Guest:

Gareth Hopkins (Pensions Consultant)
Kevin Humpherson

1. **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

2. **ROLL CALL AND DECLARATIONS OF INTEREST**

The Chair carried out a roll call to confirm attendance. There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED

That the minutes of the meeting held on 29th September 2020 were approved.

4. **QUARTERLY UPDATE PACK**

Timothy Mpofu (Pension Fund Manager), presented the report and gave a summary of the key points. This included an update on the investment manager portfolios since March 2020 and the Fund's exposure to low carbon investments as part of the Environment, Social and Governance report.

Councillor PJ Murphy referring to the risk register asked for further clarification to be provided on the liability valuation increase for risk 3. In response Phil Triggs (Director of Treasury and Pensions) outlined the reasons for the small shifts in Consumer Price Index (CPI) inflation and the impact this had on the liability valuation. It was noted that the actuary had confirmed that these figures were correct. Kevin Humpherson (Deloitte) said that any changes in the asset value as a result of shifts in CPI inflation could be included in the risk register going forward.

RESOLVED:

That the Sub-Committee noted the report.

5. GROUND RENT AND AFFORDABLE HOUSING

Matt Hopson (Strategic Investment Manager), presented the report and gave a summary of the key points. Members discussed the report.

RESOLVED:

That the Sub-Committee agreed to interview a selection of shortlisted managers from each asset class.

6. NATIONAL LGPS FRAMEWORK MEMBER ACCESS AGREEMENTS

Matt Hopson (Strategic Investment Manager), presented the report and gave a summary of the key points. It was noted that the Pension Fund would need to run a procurement exercise to appoint an actuary and investment consultant before the existing contracts expired. Officers planned to conduct the procurement exercise through the National LGPS Framework.

Councillor PJ Murphy asked for further clarification to be provided on the process for appointing an investment consultant and whether there was any scope for the Council to consider the appointment of an alternative (investment consultant) to Westminster County Council. In response, Matt Hopson explained that officers would be conducting separate evaluations for consultancy tenders for the Council and WCC. The preferred option was a joint procurement with WCC (under separate sovereign contracts) which offered better value for money through economies of scale.

RESOLVED:

That the Sub-Committee approved that the Pension Fund access the LGPS Norfolk Framework for the use of its actuarial and investment consultancy contract services.

7. CONSULTANT REVIEW

Phil Triggs (Director of Treasury and Pensions), presented the report and gave a summary of the key points. Officers provided an overview of the performance review for the Pension Fund's investment consultant (Deloitte), in line with the agreed set of aims and objectives.

As shown in Appendix 1, the consultant's performance over the past year had been to an excellent standard and the Pension Fund officers remain pleased with the work that the consultant continued to carry out in advising the Fund on its investment strategy.

Members discussed the benefits of appointing an independent consultant, to support the Committee alongside the investment consultant.

Phil Triggs (Director of Treasury and Pensions), noted that a report, setting out a list of alternative options would be brought to a future Sub-Committee meeting.

RESOLVED:

That the Sub-Committee noted the report

8. EXCLUSION OF THE PUBLIC AND PRESS

The sub-committee agreed, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

9. EXEMPT MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the exempt minutes of the previous Pension Fund Sub-Committee were noted.

10. QUARTERLY UPDATE PACK (EXEMPT)

The exempt elements of item 4 were noted.

11. GROUND RENT AND AFFORDABLE HOUSING (EXEMPT)

The exempt elements of item 5 were noted.

12. PENSIONS ADMINISTRATION UPDATE

David Hughes (Director of Audit, Fraud, Risk and Insurance) presented the report and gave a summary of the key points. Members discussed the report.

RESOLVED

That the Sub-Committee noted the report.

Meeting started: 7:00pm

Meeting ended: 9:00pm

Chair

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