

Pension Fund Committee Minutes



Wednesday 25 June 2025

PRESENT

Committee members: Councillors Ross Melton (Chair), Laura Janes, Adam Peter Lang and Lydia Paynter

Co-opted members: Peter Parkin

Other Councillors:

Cllr Rowan Ree (Cabinet Member for Finance and Reform)

Cllr Ashok Patel (Observer)

Officers:

Eleanor Dennis (Head of Pensions)

David Hughes (Director of Audit, Fraud, Risk and Insurance)

Phil Triggs (Director of Treasury and Pensions)

Mathew Dawson (Strategic Investment Manager)

Sian Cogley (Strategic Investment Manager)

James Newman (Assistant Director – Finance)

Liam Oliff (Committee Coordinator)

Sam Gervaise-Jones (Independent Advisor)

(Isio Group)

Andrew Singh

Jonny Moore

Darwin Reps –

James Penney

Anthony Esse

Aberdeen Reps –

Euan Baird

Marianne Zangerl

Martin Barnewell

1. APPOINTMENT OF VICE-CHAIR

APPROVED

That Councillor Adrian Pascu-Tulbure be appointed Vice-Chair for the 2025-26 Municipal Year.

2. APPOINTMENT OF CO-OPTED MEMBERS

APPROVED

That Michael Adam and Peter Parkin be appointed as non-voting co-opted members for the 2025-26 Municipal Year.

3. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Adrian Pascu-Tulbure.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. MINUTES OF THE PREVIOUS MEETING

RESOLVED

That the open and exempt minutes of the meetings held on 13th May 2025 were approved.

6. ABERDEEN MULTI SECTOR PRIVATE CREDIT

Phil Triggs (Director of Treasury and Pensions) introduced the item. The report highlighted that London Borough of Hammersmith and Fulham had concerns regarding the future viability of the Aberdeen portfolio. There was an opportunity to hand in notice for withdrawal from the fund by 30th June.

The 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.

The discussion continued in private session.

RESOLVED

That the Committee agreed to an immediate redemption of their investment into Aberdeen Multi Sector Private Credit Fund.

7. DARWIN LEISURE DEVELOPMENT FUND UPDATE

Phil Triggs introduced the report which outlined that on 10 October 2024, Darwin notified investors of a downward revision to its projected net asset value (NAV) within the Leisure Development Fund. This revision led to a significant 25% decrease in the Fund's NAV during Q3 2024. When this update was presented at the Pension Fund Committee meeting on 15 November 2024, members stressed the importance of maintaining close oversight of the Darwin investment and requested further analysis.

The 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.

The Committee continued the discussion in private session.

RESOLVED

That the Pension Fund Committee agreed to maintain their allocation in Darwin Leisure Development Fund.

8. KEY PERFORMANCE INDICATORS

Eleanor Dennis (Head of Pensions) introduced the report which highlighted the performance of LBHFs administration partner LPPA over the pension fund scheme year 2024/25. The report covered the period 1st April 2024 to 31st March 2025 inclusive. During the period April 2024 to March 2025, LPPA processed 6098 cases, compared with 5604 in 2023/24, an increase of 494 processed cases for the Hammersmith & Fulham Pension Fund over the last 12 months. The highest volume case types processed by LPPA were deferred enquiries, deferred retirements and death cases.

RESOLVED

That the Pension Fund Committee noted the report.

9. PENSION ADMINISTRATION UPDATE

Eleanor Dennis introduced the report which highlighted a summary of the key areas of work undertaken by the pensions team. Engagement from employers on monthly files being submitted remained very good. Member satisfaction survey responses remained low. Feedback from deferred retirements cases in Q4 saw 15 responses with only 11% satisfied members, 7% dissatisfied. Active retirements in Q4 saw 8 responses with 1 response dissatisfied but 73% did not respond. Over the last 12 months the number of complaints had continued to fall with the work that LPPA were doing to track and try to increase member satisfaction. LPPA had issued all P60's to pensioners and continued to improve how information on their website was presented and the format of letters to members. The go live date for the Pensions Dashboard was October 2025, there was no date set for public access. There was a consultation on proposed changes to the member benefits in the LGPS. A recent audit by KPMG had been completed for LPPA, which had been positive with two improvements relating to client meetings recommended.

The Chair mentioned the LGPS consultation and asked what LBHFs response was likely to be. Eleanor Dennis explained that it was a simple consultation that asked questions about LGPS rules which were not in line with equalisation. She added that the consultation asked whether there would be administrative challenges following proposed changes to the rules.

Peter Parkin commented that it was good to see that complaints were falling.

The Chair sought more information regarding the KPMG audit. David Hughes (Director of Audit, Fraud, Risk and Insurance) explained that this audit was undertaken for the LPPA to look at the design and effectiveness of controls that they had in place, that he was satisfied that it was a good result and he was able to place assurance on the work done by KPMG. Eleanor Dennis added that this audit could be shared with members outside of the Committee.

Councillor Adam Peter Lang asked for more information regarding the Pensions Dashboard. Eleanor Dennis explained that this was a site that would allow any member of the public to access all their pension information in one place. She added that the Government had not confirmed a date in which it would go live to the public but that the go live date for the fund was October 2025.

RESOLVED

That the Committee noted the report.

10. DRAFT ANNUAL ACCOUNTS 2024-25

Phil Triggs introduced the report which highlighted the draft Pension Fund Statement of Accounts for 2024/25. This provided an opportunity to review and comment on any matters pertaining to the financial statements. The Pension Fund net assets increased by £36m over the year. The increase was driven by an enhanced performance across the Fund's investment portfolio, greater than in the previous year. Investment management expenses decreased from £9.2m to £6.7m. This was driven mainly by a number of factors such as fewer managers that achieved the threshold for performance related fees in 2024/25, resulting in a £607k reduction from 2023/24, the fund made four new investments and topped up an investment in 2023/24: more investments redeemed to fund these new investments resulted in higher transaction fees. Whereas in 2024/25, transaction fees reduced by £1.8m.

Peter Parkin mentioned that fees had reduced in 2024/25 and sought more information regarding this. Phil Triggs told the Committee that there was always variance from year to year and that the biggest factor was due to valuation of the fund at year end. Peter Parkin questioned whether a reduction in fees was good for the fund. Phil Triggs clarified that there was a drive towards lower fees. He added that with more assets being pooled, there would ideally be a reduction in the fee level.

RESOLVED

That the Pension Fund Committee approved the 2024/25 draft Statement of Accounts and delegated the approval of the final version to the Director of Treasury and Pensions in consultation with the Chair.

11. LCIV REGULATORY CAPITAL

Phil Triggs introduced the report which outlined that as part of the original establishment of LCIV, each London Borough administering authority was required to invest £150,000 of share capital (B shares) which would be employed by LCIV for regulatory capital. The LBHF Pension Fund showed this investment in its accounts as equity. While a retained profits model had been agreed for longer term capital sustainability, a near-term capital injection was now required to maintain compliance, ensuring that London CIV remained financially stable during the remaining asset transition process. Following shareholder approval, London CIV was issuing 2,249,984 B Shares to raise £2,249,984 of additional regulatory capital. The subscription was allocated proportionally, based on existing shareholdings. LBHF was required to subscribe for 70,312 B Shares at a cost of £70,312.

The Chair questioned whether the other London Boroughs sought approval from their Pension Fund Committees. Phil Triggs explained that many London Boroughs approved this decision through their Section 151 officer in consultation with the Chair but that he wanted to bring it to the Committee for approval.

RESOLVED

That the Pension Fund Committee approved the payment of £70,312 for the subscription of 70,312 B Shares in London CIV to fulfil LBHF regulatory capital obligations as a shareholder and ensure continued support for London CIV's growth and stability.

12. PENSION FUND QUARTERLY UPDATE Q1 2025

Phil Triggs introduced the report which outlined the Pensions update for the quarter ended 31st March 2025. The investment performance report shows that, over the quarter, the market value of the assets decreased by £19m to £1,409m. The Fund had 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 31st March 2025. The Pension Fund's cashflow monitor showed both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 31st December 2025. An analysis of the differences between the actuals and the forecast for the quarter was included. The breaches of the law log had not been included in this quarter as there had been no breaches to report. Appendices included the draft Pensions Bill and a consultation on the LGPS being fit for purpose.

Councillor Adam Peter Lang sought the timeline for the Pensions Bill legislation to be passed. Phil Triggs confirmed that the final regulations were due to be in place by March 2026, but that it was more likely to be autumn 2026.

Andrew Singh told the Committee that the final report had no surprises but that the Pensions Bill would introduce large structural changes. There would be the ability to merge LGPS funds in Councils that were not complying. There would be a reduction in the number of pools of LGPS pension funds from 8 to 6.

Sam Gervaise-Jones commented that the bill would give the Government free reign to tell the LGPS what to do. He told the Committee that he was confident that in the short term the pools and LCIV were approaching the changes with a positive mindset but that the longer term picture was more uncertain. He added that the bill mentioned the creation of an LGPS officer post at each authority.

The Chair raised the issue of the 21 LGPS funds that made up the 2 pools that no longer existed and asked where they would end up, and whether there was a chance that some would end up in the LCIV leading to a dilution of LBHFs influence. Phil Triggs explained that the pools were often dependent on geographical location. He added that it had been mentioned that there were 3 pools that could take on the 21 funds that currently had no pool and LCIV was not one of them.

The Chair mentioned that the legislation stated that the pools preferences had to be taken into account when making decisions on the pension fund and asked how this dynamic would work. Phil Triggs said he was confident in the mechanism working. Sam Gervaise-Jones seconded Phil Triggs' comments.

Councillor Laura Janes commented that it would be useful for the Committee to understand how the legislative changes would affect the Committee itself. Phil Triggs told the Committee that once there was a clearer indication on what the final regulations would look like, the Committee would be updated. The Chair suggested that a training session in the lead up to a future committee on the regulation changes would be useful.

RESOLVED

That the Pension Fund Committee noted the report.

13. EXCLUSION OF THE PUBLIC AND PRESS

Meeting started: 7:08pm
Meeting ended: 9:29pm

Chair

Contact officer: Liam Oliff
Committee Coordinator
Governance and Scrutiny
E-mail: Liam.Oliff@lbhf.gov.uk