

**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Committee Room 3A - Town Hall
30 October 2013 (7.30 - 8.00 pm)**

Present:

COUNCILLORS

Conservative Group	Rebecca Bennett (Chairman), Melvin Wallace (Vice-Chair), Steven Kelly and Roger Ramsey
Residents' Group	Ron Ower
Labour Group	Pat Murray
UKIP Group	Fred Osborne
Trade Union Observer	John Giles (Unison)

Apologies were received for the absence of Andy Hampshire (GMB).

The Chairman reminded Members of the action to be taken in an emergency.

19 MINUTES OF THE MEETING

The minutes of the special meetings of the Committee held on 24 July and 12 September, 2013 and the meeting of the Committee held on 24 September, 2013, and the exempt minutes of the special meetings of the Committee held on 24 July and 12 September, 2013 were agreed as a correct record and signed by the Chairman.

20 REVIEW OF THE PENSION FUND ACTUARY SERVICES 1ST APRIL 2012 - 31ST MARCH 2013

Officers advised that Hymans Robertson had been appointed as the Pension Fund Actuaries for the period 1 April, 2010 to 31 March 2014, with an option for a further one year extension. Officers had commenced exploration of whether to re-tender the contract or take up the option to extend by one year to 31 March, 2015.

Officers indicated that they were very satisfied with the service that Hymans Robertson was providing. However, we felt that consideration should be given as to how they reach their conclusions when undertaking the triennial valuation. A recent surveyed showed that the Havering Pension Fund valuations were amongst the lowest in London. This could have a significant

effect on the level of contributions the Council needed to make to the Pension Fund.

Officers felt that Hymans Robertson offered excellent value for money. The results of the current valuation exercise will be available early in the New Year.

We have **noted** the report and **asked** officers to pull together some comparative data from other local authorities to see how Hymans Robertson compare with other Actuaries which will be carried out once all the valuation data has been released.

21 **REVIEW OF INVESTMENT ADVISOR**

Officers reminded the Committee that Hymans Robertson had been reappointed as the pension Fund Investment Advisor following a competitive tender process in 2011/12. The new contract runs from 1 April, 2012 to 31 March, 2017.

Officers indicated that they were satisfied with the service provided by Hymans Robertson and had continued confidence in the advice being given.

We have **noted** the report.

22 **REVIEW OF PENSION FUND CUSTODIAN**

We were advised that State Street had been appointed to provide custodial services from 31 December, 2004. State Street provides two specific services:

- Safe Keeping and Custody;
- Investment Accounting and Reporting.

The services were reviewed periodically to ensure the Pension Fund was receiving best value for money and as a result a new fee structure was agreed, coming in to effect from 1 August, 2011.

Officers indicated that they were satisfied with both the safe keeping and custody functions and the investment accounting and reporting functions carried out by State Street.

We have **noted** the report.

23 **REVIEW OF GOVERNANCE COMPLIANCE**

In accordance with the Local Government Pension Scheme Regulations (LGPS) 2008 the authority as administrating authority has a duty to undertake a review of the Pension Fund's Governance Compliance Statement.

Few changes had been made to the Statement other than amendments to reflect the change in Committee membership.

Officers drew our attention to Principle B Representation Item (a) (iii). Under this to meet the required standards all stakeholders are afforded the opportunity to be represented by, where appropriate, appointing independent observers.

Previously we have considered whether or not to employ the services of an independent professional observer to participate in the governance arrangements and decided against it on the basis that the current monitoring arrangements were sufficient for the size of the fund. We have reaffirmed this decision.

We have **approved** the revised Governance Compliance Statement.

24 **WHISTLEBLOWING REQUIREMENTS OF THE PENSIONS ACT**

On 6 April 2005 the Whistle blowing requirements of the Pensions Act 2004 came into force. The Pensions regulator issued a Code of Practice that set out guidance on how to comply.

Since the requirement came in to force no possible breaches have been reported to the Group Director, Resources. Consequently no reports have been made to the Regulator.

We have **noted** the results of the Annual review and that no breaches have been reported.

25 **PENSION FUND ANNUAL REPORT - YEAR ENDED 31 MARCH 2013**

Each year, in accordance with Regulation 34 of the Local Government pension Scheme (Administration) Regulations 2008 we need to produce an Annual report on the performance of the Pension Fund. Under the Regulations the Annual Report must contain the following:

- a) Management and Financial Report
- b) Investment Policy and Performance Report
- c) Scheme Administration Report
- d) Actuarial Report
- e) Governance Compliance Statement
- f) Fund Account and Net Asset Statement (including Audit opinion)
- g) Benchmarking Report
- h) Funding strategy Statement
- i) Statement of Investment Principles
- j) Communication Strategy
- k) Any Other Material

We have **agreed** the 2012-2013 Pension Fund Annual Report and **authorised** the Chairman and Group Director, resources to formally sign off the Annual report.

We have further **agreed** that the Pension Fund Annual Report would be published electronically.

26 **PENSION FUND CONSOLIDATION**

Officers advised that the Local Government Minister, Brandon Lewis had announced that the Government would be commissioning an external organisation, such as a bank, actuarial firm or think tank, to develop specific advice on the potential for new savings and greater public accountability through increased pension fund collaboration. The work would also consider whether other funded public service pension schemes could benefit from a more collaborative approach.

The commissioned work would focus on 3 possible options:

- A single national investment fund vehicle;
- A small number of closely aligned combined investment vehicles;
- Or merging the 89 funds into a few larger funds.

We have **noted** this oral report.

Chairman