



Haverling

LONDON BOROUGH

LOCAL PENSION BOARD AGENDA

11.00 am

**Thursday
14 April 2016**

**Committee Room 1-
Town Hall - Town Hall**

Members 4: Quorum 3

Mark Holder, Scheme Member Representative
Marsha Jane Thompson, Scheme Member Representative

Justin Barrett, Employer Representative (Chair)
David Holmes, Employer Representative

**For information about the meeting please contact:
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AGENDA ITEMS

1 CHAIR'S ANNOUNCEMENTS

The Chair will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) – receive.

3 DISCLOSURE OF INTEREST

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 1 - 4)

To approve as correct the minutes of the meeting held on 6 January 2016 (attached) and authorise the Chair to sign them.

5 PENSION TRAINING NEEDS

6 TENDERING PROCESS FOR FUND MANAGERS

7 POOLED INVESTMENTS

8 MATTERS CONSIDERED BY THE PENSIONS COMMITTEE AT ITS MEETING HELD ON 15 MARCH 2016 (Pages 5 - 8)

The minutes of the meeting of the Pensions Committee held on 15 March 2016 are attached. If you wish to see the reports they are available on the intranet. (<http://democracy.havering.gov.uk/ieListDocuments.aspx?CId=152&MId=3108&Ver=4>)

9 ANY OTHER BUSINESS

Andrew Beesley
Committee Administration Manager

Public Document Pack Agenda Item 4

**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
Committee Room 1-Town Hall - Town Hall
6 January 2016 (4.00 - 5.30 pm)**

Present:

Justin Barrett (Employer Representative) (Chairman) and David Holmes (Employer Representative)

Mark Holder (Scheme Member Representative) and Marsha Jane Thompson (Scheme Member Representative)

15 CHAIR'S ANNOUNCEMENTS

The Chair announced details of arrangements in the case of fire or other event that would require the evacuation of the meeting room.

16 APOLOGIES FOR ABSENCE

Apologies were received from Mo Jones.

17 DISCLOSURE OF PECUNIARY INTEREST

There were no disclosures of pecuniary interests.

18 MINUTES OF THE MEETING

The minutes of the meeting held on 7 October 2015 were agreed as a correct record and signed by the Chair.

The Committee Officer advised that there were no minutes of the inquorate meeting held on 12 August 2015. A copy of the notes would be circulated to members of the Board.

Further to minute 12 DF explained that if the Board wished to consult with members the budget could be amended. The pension administration team contacted all scheme members annually and it would be possible to combine any message from the Board with whatever is sent at that time.

Officers would check on the timescales and advise the Board accordingly. If necessary an extra meeting could be arranged to agree the form of any communication to all scheme members.

19 LOCAL PENSION BOARD - WORK PLAN

As agreed at the last meeting Board members had met to agree a work plan for the Board as the key aims of the Local Pension Board. The following priorities had been identified:

- Priority 1 – Fair Deal and TUPE Transfer;
- Priority 2 – Review of Governance Compliance Statement, training and development strategy and how this is implemented;
- Priority 3 – Tendering Processes for Fund Managers;
- Priority 4 – Pooled Investments;
- Priority 5 – Risk Strategy Review;
- Priority 6 – Pensions Administration Strategy and Benchmarking;
- Priority 7 – Early Redundancy Gap – Impact on Pensions; and
- Priority 8 – Rationalisation of member Organisations and Impact on deficit payments.

The Board **agreed** the proposed work plan and asked that as far as possible 2 priorities be considered at each meeting.

20 FAIR DEAL AND TUPE TRANSFER

In the absence of Mo Jones it had not been possible to provide the TUPE manual. The Board agreed that the manual, if available should be circulated to the Board in advance of the next meeting.

Prior to the meeting training had been delivered by Hymans Robertson on TUPE transfer. The Board understood that they needed to be satisfied that the appropriate processes were in place and fit for purpose. Hymans Robertson had indicated that the following documents should be in place:

- Admission Policy
- Bulk Transfer (inc. Cessation) Policy
- Admission Agreement
- Employer's Guide
- Contractor's guide
- Bond Agreement template.

The Board have asked for a copy of these documents. DF advised that the Funding Strategy Statement covered the issue of Bulk Transfer (inc. Cessation) Policy.

Some concern was expressed that some of the older admission agreements might no longer be fit for purpose. In order to assess the level of risk the Board asked officers to prepare a list of all admitted bodies and the number of employees covered by each agreement.

The Board also **agreed** that the Head of Legal and Governance should be asked to provide an assurance that the current template Admission Agreements and Bond Agreements are fit for purpose.

21 **REVIEW OF GOVERNANCE COMPLIANCE STATEMENT, TRAINING AND DEVELOPMENT STRATEGY AND HOW IT IS IMPLEMENTED.**

DF advised the Board that she had not submitted a separate report on the Governance Compliance Statement as this had been covered at the 24 November 2015 meeting of the Pensions Committee and the report had already been circulated to the Board. The Board had raised no issues with the Statement.

A report had been submitted on Training and Development. The regulations were unusual in respect of training requirements. Members of the Pensions Committee required an understanding of:

- Their responsibilities as an administering authority of a local government pension fund;
- The fundamental requirements relating to pension fund investments;
- The operation and administration of the pension fund;
- Controlling and monitoring the funding level; and
- Taking effective decisions on the management of the London Borough of Havering Pension Fund.

Members of the Local Pension Board were required by law to be conversant with—

- The Regulations and any other regulations governing the LGPS
- Any document recording policy about the administration of the Fund

and have knowledge and understanding of:

- The law relating to pensions; and
- Such other matters as may be prescribed.

Officers were recommending the Board to adopt the CIPFA Knowledge and Skills Framework for Public Sector Pensions to assess the level of their knowledge and identify training needs.

The Board agreed to complete the self assessment and return it to DF to help identify training needs. A report would be brought back to the next meeting in April.

The Chair asked that an item be included on each agenda to enable members of the Board to report on what training they had undertaken since the last meeting and what they had learned.

22 **MATTERS CONSIDERED BY THE PENSIONS COMMITTEE AT ITS MEETING HELD ON 24 NOVEMBER 2015**

The Board **noted** the items considered by the Pensions Committee at its meeting held on 24 November 2015.

23 **ITEMS CONSIDERED BY THE PENSIONS COMMITTEE AT ITS MEETING HELD ON 15 DECEMBER 2015**

Mark Holder reported on the deliberations of the meeting of the Pensions Committee held on 15 December 2016. He had brought the Board's attention to the Internal Cash Management Policy and DF had explained the rationale behind the decision to change the upper limit.

The Board's attention was also drawn to the presentations from two of the Fund Managers. Baillie Gifford already managed two of the Pensions Fund mandates and these would transfer to the Common Investment Vehicle. DF explained that it was the Government's intention that all the Pension Fund Investments should be invested in Pooled arrangements to save on the cost of fund manager fees.

Mark Holder also referred to the request from UBS for the Pension Fund to increase its investment in the Triton Property Fund. DF advised the Board that members had responded to the Group Director Resources and Community and UBS had been informed that the pension Fund wished to increase its investment.

24 **ANY OTHER BUSINESS**

DF advised the Board of proposals being considered by the Scheme Advisory Board to separate the scheme manager function from the Lead Authority. Further details would be provided if the proposal developed.

HM Treasury had issued a consultation on proposed Public Sector exit payment recovery regulations. The consultation would close on 25 January 2016.

Chairman

**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Committee Room 3A - Town Hall
15 March 2016 (7.00 - 9.00 pm)**

Present:

COUNCILLORS

Conservative Group Melvin Wallace, Roger Westwood and Wendy Brice-Thompson (In place of John Crowder)

Residents' Group Ray Morgon and John Mylod (In place of Stephanie Nunn)

East Havering Residents' Group Clarence Barrett

UKIP Group David Johnson (Vice-Chair) (In the Chair)

Trade Union Observers: John Giles (UNISON) and Andy Hampshire (GMB)

Apologies were received for the absence of Councillors John Crowder and Stephanie Nunn. .

All decisions were taken with no votes against.

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

32 MINUTES OF THE MEETING

The minutes of the meeting held 15 December 2015 were agreed as a correct record and signed by the Chairman.

33 PENSION FUND PERFORMANCE MONITORING FRO THE QUARTER ENDED 31 DECEMBER 2015

Officers advised the Committee that the net return on the Fund's investments for the quarter to 31 December 2015 was 2.8%. This represented an out performance of 0.9% against the combined tactical benchmark and an out performance of 4.6% against the strategic benchmark.

The overall net return for the year to 31 December 2015 was 1.8%. This represented an under performance of -0.9% against the tactical combined benchmark and an under performance of -1.2% against the annual strategic benchmark.

At the close of business on 31 December 2015 the total combined value of the fund was £561.69m this represented an increase of £14.82m from the position at the close of business on 30 September 2016. Officers advised that as at the end of February the fund had seen a small drop to approximately £560m.

The Committee had received an update from Hymans Robertson and presentations from two of the Fund Managers UBS Triton and Royal London Asset Management.

The Committee **noted** the reports and presentations.

34 **THE ADMISSION OF ACCENT CATERING TO THE LONDON BOROUGH OF HAVERING PENSION FUND**

The Committee has been advised of the proposed 'closed agreement' admission of Accent Catering Services Ltd into the London Borough of Havering Pension Fund under the provisions of The Local Government Pension Scheme Regulations 2013, Schedule 2, Part 3 and in accordance with the New Fair Deal Guidance.

Accent Catering Services Ltd had won the contract to provide catering services to the Coopers Coburn Academy. This contract was for five years and due to commence on 1 September 2015. The contracts of employment of 7 employees transferred from the Academy to Accent Catering Services Ltd.

The Council's Actuary had set the level of bond required at £195,000 to cover the level of risk arising from premature termination of the provision of service or assets provided by the body by reason of insolvency, winding up or liquidation. When the admission agreement was formed Accent Catering would be required to pay contribution rates as determined by the Fund Actuary, this was set initially at 29.9% of pensionable pay.

The Committee **noted** the admission of Accent Catering Services Ltd into the London Borough of Havering Pension Fund as an admitted body to enable 7 members of staff who transferred from Cooper's Coburn Academy to continue membership of the Local Government Pension Scheme, subject to:

1. All parties signing up to an Admission Agreement, and
2. An indemnity or Insurance Bond in an approved form with an authorised insurer or relevant institution, being put in place to protect the pension fund.

35 **EXCLUSION OF THE PUBLIC**

The Committee resolved to excluded the public from the meeting during discussion of the following item on the grounds that if

members of the public were present it was likely that, given the nature of the business to be transacted, that there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 which could reveal information relating to the financial or business affairs of any particular person (including the authority holding that information) and it was not in the public interest to publish this information.

36 **EXEMPT MINUTES OF THE MEETING**

The exempt minutes of the meeting held on 15 December 2016 were agreed as a correct record and signed by the Chairman.

Chairman

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