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**MINUTES OF A MEETING OF THE  
PENSIONS COMMITTEE  
Town Hall, Main Road, Romford  
29 July 2020 (7.00 - 8.45 pm)**

**Present:**

**COUNCILLORS**

**Conservative Group** John Crowder (Chairman), Osman Dervish and Jason Frost

**Residents' Group** Stephanie Nunn

**Labour Group** Keith Darvill

**North Havering Residents Group** Martin Goode

All decisions were taken with no votes against.

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

**150 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS**

There were no apologies for absence.

**151 DISCLOSURE OF INTERESTS**

There were no disclosures of interests.

**152 MINUTES OF THE MEETING**

The minutes of the meeting of the Committee held on 10 December 2020 were agreed as a correct record and, due to COVID-19, will be signed by the Chairman at a later date.

**153 ADMISSION OF CATERLINK (LIFE EDUCATION TRUST)**

The report presented to the committee asked for permissions for Caterlink Limited to be admitted into the Havering Pension Fund.

It was proposed that 6 members of staff would be admitted for a minimum of 3 years on a closed admission arrangement. Hymans provided liability of 40.8% with an indemnity of £55k by way of a bond secured by Caterlink to protect the fund.

The Committee **agreed** the admission of Caterlink Limited into the Havering Pensions Fund subject to:

- Havering and Caterlink signing up to an admission agreement, and;
- An indemnity of £55k by way of Caterlink securing a bond.

#### 154 **INVESTMENT STRATEGY STATEMENT**

The report presented to the committee, which had been postponed from the cancelled March 2020 meeting, proposed the revised investment strategy statement.

Members were reminded that they agreed a change of policy wording at the December 2019 meeting in relation to ESG matters and members noted that the closing date for consultation was 16 March 2020. No comments to the consultation were received.

An officer from Hymans explained to the Committee that since the original draft was put forward to the March meeting a proposal to change to the benchmark allocations was appropriate to reflect the finalisation of the bulk transfer settlement for the colleges. Proposed an increase to the global equities benchmark to 40% (from 35%) and a reduction to the multi asset benchmark to 22.5% (from 27.5%). Members also considered the change of the maximum allocation for multi-assets reduced to 40% from 50% and the maximum allocation to infrastructure was increased from 10% to 15%.

The Committee **considered** the report and **agreed** the proposed changes to the maximum multi-asset and infrastructure allocations and to the change in the benchmark allocations proposed. The Committee **noted** the compliance report set out in Appendix B.

#### 155 **PENSION FUND ACCOUNTS**

The report put before the Committee provided an extract of the unaudited statement of accounts covering the Pension Fund. Members noted that changes had been made to the publication deadlines due to COVID-19 and publication was not necessary until the end of August 2020 as the audit date has been postponed until 30 November 2020.

The statement had been completed in May 2020 and there had been no key changes by CIPFA that had not been covered in the 2018/19 accounts. Members noted a decrease in net asset of the fund by £4million over the year which was a minimal change given the potential effects of COVID-19. The outcome of the audit will be submitted to Audit Committee when published. Officers explained that there had been an increase of audit fees to £52k.

Officers presented the accounts and highlighted key movements from the prior year. Members noted the net decrease of £4m is compiled of a change

in the market value of assets of (£20m), investment income of £10m, net additions of cash of £10m and offset by management expenses of (£4m).

The Committee **noted** the accounts as at 31st March 2020.

156 **PENSION FUND BUSINESS PLAN**

The report presented to the Committee gave details on the work done by the Committee in the previous year and set out the work to be done in the upcoming year.

The Committee **agreed** the business plan for the year 2019/20.

157 **COVID-19 AND FUNDING RISKS**

The report put before the Committee updated members on the impact and risks associated with the COVID-19 pandemic produced by the Funds Actuary Hymans.

Members noted that the situation would be kept under review.

The Committee **noted** Hymans report and recommendations set out in the report and noted the risks identified and mitigations in place. The Committee **agreed** to adopt the Pensions Regulator guidance when considering suspension of contribution rates.

158 **EXCLUSION OF THE PUBLIC**

159 **PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED MARCH 20**

The report presented to the members of the Committee provided an overview of the performance of the Fund Investment, Manager Monitoring and any Local Government Pension Scheme (LGPS) updates for the quarter ending 31 March 2020.

The Committee **considered** the Hymans reports, the quarterly reports from investments managers and **noted** the analysis of the cash balance

160 **FUND MANAGER REVIEW - VOTING AND ENGAGEMENT**

The report received by the Committee gave a summary on the responsible investment activities of the Fund's managers for the year to 30 June 2019.

Members noted the report had been postponed from the cancelled March 2020 meeting.

The Committee **noted** Hymans summary review of fund manager and engagement activity and **considered and agreed** the potential next steps as outlined in Hymans report.

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**Chairman**