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**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Virtual Meeting
12 January 2021 (7.00 - 9.00 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
Upminster & Cranham Residents' Group	Ron Ower

All decisions were taken with no votes against.

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

179 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

There were no apologies for absence.

180 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

181 PROTOCOL FOR VIRTUAL MEETING

The protocol was noted by the Committee.

182 MINUTES OF THE MEETING

Cllr Ower stated that he was not shown at present in the previous minutes and asked for this to be corrected.

The minutes of the meeting of the Committee held on 12th November 2020 were otherwise agreed as a correct record and, due to COVID-19, will be signed by the Chairman at a later date.

183 PENSION FUND RISK REGISTER - UPDATED

The Committee received the updated Risk Register for the Havering Pension Fund, detailing potential risks the Fund could have been exposed to.

The Committee noted there were 2 areas of risk to be added to the register as recommended by the Local Pension Board. The Committee noted the inclusions within Risk area 3- Failure of investments to perform in line with growth expectations and Risk area 5 – Inability to manage the Pension Fund and associated services.

The Committee:

1. **Noted** the additional risks considered and recommendations by the Local Pension Board summarised in Section 2.6
2. **Agreed** to the updated Risk Register.

184 REVIEW OF VOTING AND ENGAGEMENT ACTIVITY

The Committee received an annual report, produced by Hymans, which summarised the fund managers' voting and engagement activities for the 12 months to June 2020.

The Committee noted that the Fund had investment through 3 managers across seven mandates with equity exposure. Vast majority of votes eligible to be exercised were voted. Members noted 3 focus areas that were being monitored by Hymans, being; Labour Practises, Diversity and Climate Change.

The Committee:

1. **Noted** Hymans summary review of fund manager voting and engagement activity attached as **Appendix A**.
2. **Noted** the recommendations as set out in Appendix A and,
3. **Agreed** to continue to engage with London CIV to progress and investigate the possibility of adopting a combined pool policy and,
4. **Considered** and **agreed** to select diversity, labour practises and climate change be actively monitored.

185 FUNDING STRATEGY STATEMENT - REGULATORY UPDATES

The report put before the Committee outlined to members the updated Funding Strategy Statement.

It was noted that the Statement was last updated in December 2019 and had been updated to reflect regulation changes in regard to permitting the fund to determine amount of exit credits payable to an employer leaving the LGPS and, enables deferment of exit payments in return for a deferred debt agreement, to obtain revised employer rates and the ability for employers to

spread exit payments. Members noted the changes went out for consultation and no comments were received.

The Committee:

1. **Agreed** the updated Funding Strategy Statement attached as Appendix A which reflected the changes set out in regulations.

186 **LOCAL PENSION BOARD ANNUAL REPORT - 31 MARCH 2020**

The report presented to the Committee was the annual report from the Local Pension Board.

The Committee noted the Board met 4 times in the year 19-20, all 4 positions were filled and each of the 4 members undertook relevant training. Members noted the compliance checklist was a standing item for the Board and the Board had only spent £1,881 of a budget of £27,900, which included a £10,000 allowance for training that is shared with Committee members.

The Committee:

1. **Noted** the 2019/20 Local Pension Board Annual Report
2. **Agreed** the Local Pension Board Annual Report will be published electronically.

187 **EXCLUSION OF THE PUBLIC**

The Committee agreed to exclude the Public when discussing Appendix B and C and the Chairman asked for the live webcast to be paused when entering into the exempt appendices.

188 **PENSION FUND PERFORMANCE FOR THE QUARTER ENDED SEPTEMBER 2020**

The report presented to the Committee provided members with an overview of the fund investment performance and manager monitoring for the quarter ending 30 September 2020.

Members of the Committee noted that the Fund had grown in value by 2.74%, to £795.83m, with a disinvestment of £40.5million taken into account. The Committee:

- 1) **Considered** Hymans Market Background and Strategic Overview and Manager Performance Report (Appendix A)
- 2) **Considered** Hymans Performance Report and views (Appendix B Exempt)
- 3) **Received** presentation from the London CIV for the Multi Asset, UK Equities funds and Absolute Return fund on the LCIV platform (Appendix C – Exempt)

- 4) **Considered** the quarterly reports sent electronically, provided by each investment manager.
- 5) **Noted** the analysis of the cash balances

Chairman