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**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Council Chamber - Town Hall
19 March 2024 (7.00 - 9.07 pm)**

Present:

COUNCILLORS

Conservative Group Joshua Chapman, Dilip Patel and Viddy Persaud

Havering Residents' Group James Glass and Jacqueline Williams

Labour Group Mandy Anderson (Chairman)

329 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received for the absence of Derek Scott.

330 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

331 MINUTES OF THE MEETING

The open and exempt minutes of the previous meeting held on 24th January 2024 were agreed as a correct and signed by the Chairman.

332 MINUTES OF THE LOCAL PENSION BOARD

It was noted that the minutes of the Local Pension Board would be circulated to members after the meeting.

333 EXCLUSION OF THE PUBLIC

It was **AGREED** that, for the relevant section of agenda item 7 only, the public should be excluded from the meeting on the grounds that it was likely that, on view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during that item, there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

334 **PENSION FUND MONITORING QUARTER END 31 DECEMBER 2023**

The Committee was presented with the Pension Fund Monitoring for the quarter ending 31st December 2023.

It was noted by members that the fund had increased in the quarter and there was an error on page 27 of the agenda with the correct figures to be circulated to members following the meeting.

Members noted that the fund returned 3.9% over the quarter and the LCIV Paris Aligned returned positively and outperformed its benchmarks. It was noted that it was a positive quarter as a whole and had performed positively in absolute terms, however, the asset long term growth was under target and the income was also under the long term target.

Officers then explained to members that all Pensions Committee members must complete the mandatory LOLA v1 or v2 learning modules with the slides from the previous climate change training to be circulated to members. It was also noted that the LGPS had made changes with a new code of practise published in January 2024 and would be adopted on 27th March 2024 and would supersede the current COP14.

The meeting then went into an exempt sessions.

After the exempt session concluded, the Committee:

1. **Considered** Hymans Market Background, Strategic Overview and Manager Performance Report (Appendix A)
2. **Considered** Hymans Performance Report and views (Appendix B Exempt)
3. **Received** presentation from the Funds Private Debt Manager (Permira) for an overview on the fund's performance (Appendix C – Exempt)
4. **Considered** the quarterly reports sent electronically, provided by each fund manager.
5. **Noted** the analysis of the cash balances.

335 **CASH FLOW POLICY**

The Committee were presented with a cash flow policy proposed by Hymans.

The policy was proposed to ensure the fund had a high enough level of cash flow. The target working cash balance was noted of £8million which was up from the previous £6million. It was proposed to hold no less than £5million and no more than £13million which was also increased from £3million and £8million respectively.

Members noted a balance of £8million provided for 1 month of predictable outgoings and 3 months of unpredictable outgoings plus a currency settlement allowance. Any balance above the threshold would be retained at the discretion of the Council's Section 151 officer and they would plan to bring the cash levels down below the threshold.

The Committee:

1. **Considered** and agree the updated Cash flow Policy (Appendix A).
2. **Agreed** that this policy be reviewed every three years, recognising the additional information provided by the valuation process, including the impact on contribution rates.
3. **Agreed** that in the event that the Fund's cash outflow profile was to materially change, for example if the Fund's benefit payments increased by more than 20%, then this policy be reviewed.

336 **VOTING AND ENGAGEMENT**

The Committee was presented with the Fund's voting and engagement policy.

Members noted this report reviewed the voting and engagement of the Fund managers. It was noted the Fund didn't have its own policy and delegated to fund managers within the annual review. A high percentage of votes were cast which was seen as positive.

It was noted that voting patterns were in line with expectations. It was highlighted that climate change and human rights were key areas of engagement across managers and board diversity was a main reason for voting against management with 1 in 5 voting against it.

The Committee:

1. **Noted** Hymans review of Fund Manager Voting and Engagement activity attached as Appendix A.
2. **Agreed** the recommendations as set out in Appendix A (page 16).
3. **Noted** the next steps as set out in Appendix A (page 16).

337 **ADMISSION OF CATERLINK TO THE PENSION FUND**

The Committee was presented with a report to admit Caterlink Limited to the Pensions Fund.

Caterlink Ltd won a contract to provide catering services which started on 11th February 2023 and due to end on 23rd October 2025. 5 members of staff would be admitted with initial contributions set at 24.8%. It was noted that Caterlink Ltd had previously been a member of the Fund.

The Committee **agreed** the admission of Caterlink Limited into the London Borough of Havering Pension Fund as an admitted body to enable 5 members, previously employed by the Academy, to continue membership of the LGPS subject to all parties signing up to an Admission Agreement.

Chairman