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MINUTES OF A MEETING OF THE PENSIONS COMMITTEE Council Chamber - Town Hall 5 November 2024

Present:

COUNCILLORS

Conservative Group Viddy Persaud

Havering Residents' Group James Glass, Jacqueline Williams and Robby Misir

Labour Group Mandy Anderson (Chairman)

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

Apologies were received for the absence of Councillor Joshua Chapman and Councillor Nunn. Cllr Nunn was substituted by Councillor Robby Misir.

17 **DISCLOSURE OF INTERESTS**

There were no declarations of interest.

18 **MINUTES OF THE MEETING**

The minutes of the meeting 1 October 2024 were accepted as a true and accurate record and signed by the Chairman.

19 **PENSION FUND ANNUAL REPORT - YEAR ENDING 31 MARCH 2024**

The Committee were presented with the Pension Fund Annual Report 2023/24 which has been prepared in accordance with Regulation 57 of the Local Government Pension Scheme Regulations 2013.

Members noted that the annual report has been prepared in accordance with the new guidance issued by Scheme Advisory Board (SAB), including the new provision to incorporate hyperlinks to the Fund's Funding Strategy Statement, Investment Strategy Statement, Governance Compliance Statement and Communication Strategy.

It was stated that at the time of writing the report the 2023/24 Pension Fund Annual Report is still subject to audit by the external auditors Ernst & Young as part of the overall audit of the Council's accounts. Therefore, in order to meet the 1 December statutory publication, the annual report will be published as unaudited.

The Committee:

1. **Agreed** the Draft 2023/24 Pension Fund Annual Report attached as Appendix A to the report
2. **Noted** the compliance checklist attached as Appendix B to the report.
3. **Agreed** that the Pension Fund Annual Report will be published electronically.
4. **Agreed** that the Chair and the Statutory Section 151 officer be authorised to conclude the final version and sign so far as necessary, the annual report.

20 **INVESTMENT CONSULTANCY SERVICES PERFORMANCE REVIEW - 1 OCTOBER 2023 TO 30 SEPTEMBER 2024**

The Committee was presented with the review performance of the Investment Consultant for the period 1 October 2023 to 30 September 2024. It was stated that Hymans have provided investment advice to the Fund since April 2006. The core services provided by Hymans includes: production of quarterly monitoring performance reports, attendance of at least four Pension Committee meetings, provision of investment advice and performance monitoring of the Fund's investment managers.

Members noted that the service review had been undertaken by Hymans in accordance to the core strategic objectives and the performance is measured against them.

At its meeting with Hymans, Officers discussed and agreed areas of improvement.

Members and Officers concluded that they are satisfied with Hymans service and have continued confidence in the advice being given to the council.

The Committee:

1. **Agreed** no changes to the current objectives
2. **Noted** the views of officers on the performance of the Investment Consultant (Hymans) against the strategic objectives and make any comment on the report which it considers appropriate.
3. **Agreed** for Officers to commence tendering for a new Investment Consultancy service contract to start from 1 April 2026 and to join the LGPS National Framework for Investment Management Consultancy Services at a cost of £5,000.

4. **Agreed** to hold the service provider selection interviews with the Committee as part of the further competition process.

21 **PENSION FUND ACTUARIAL SERVICES PERFORMANCE REVIEW - 1 OCTOBER 2023 TO 30 SEPTEMBER 2024**

The Committee received a report that reviewed the service and performance of the Havering Pension Fund's Actuary from the 1 October 2023 – 30 September 2024.

The report also sought authorisation to procure Actuarial Services to the Pension Fund using the National Local Government Pension Scheme (LGPS) Frameworks.

Members authorisation was also being sought to award an extension to the existing contract until June 2026.

Members were advised that Hymans have been the Fund's Actuaries since April 2010. They have delivered a diverse range of advice and assistance to the Fund over the period. All relevant services required during the period 1 October 2023 – 30 September 2024 were delivered in both a timely manner and to a high quality.

Members noted that Hymans continually provides timely briefings on changes to legislation, government consultations, and periodic LGPS updates. These are all welcomed, viewed as excellent, and give Pension Fund Officers a steer on issues arising and also share responses to Government consultations.

The Committee:

- a) **Noted** the performance of the Fund's Actuary during the period 1 October 2023 to 30 September 2024.
- b) **Approved** an extension to the existing Actuarial Services contract with Hymans Robertson from 16 July 2025 to 30 June 2026 at the estimated cost of £70,000.
- c) **Noted** to enter into an Access Agreement to join the new National Framework for Actuarial, Benefits and Governance Consultancy Services Framework once live, at the estimated cost of £3000.
- d) **Agreed** to the commencement of tendering for a new Actuarial Services contract off the new National Framework for Actuarial, Benefits and Governance Consultancy Services Framework at for a period of 10 years from July 2026 at the estimated cost of £1m.
- e) **Delegated** to the Statutory Section 151 officer authority to award the Actuarial Services Contract at the completion of the procurement exercise.

22 **PENSION FUND RISK REGISTER - UPDATED NOVEMBER 2024**

The Committee was presented the latest version of the Havering Pension Fund Risk Register which details the potential risks the Fund is exposed to, that the Pensions Committee should be aware of, and the controls in place to manage those risks.

Member were advised that the risk register is a live document and all risks are reviewed continually to ensure that they remain relevant and that the controls are in place to manage risks where feasible.

Members were requested to consider whether the current statement on the Risk Register highlighted on the matrix as good control and the Council is comfortable with the risk” should be retained or whether they wish to set an alternative target.

The Committee was informed that the Risk Register is currently being integrated with the Council’s Risk management system managed by Internal Audit. It was stated that that this will provide an oversight of scores as determined by officers.

The Committee:

1. **Approved** the updated Pension Fund Risk Register November 2024.
2. **Considered** and **agreed** to retain, amend or revise the post mitigation risk target.

23 **REVIEW OF GOVERNANCE COMPLIANCE STATEMENT**

The Committee was presented the Governance Compliance Review Statement received a report that reviewed the service and performance of the Havering Pension Fund’s Actuary from the 1 October 2023 – 30 September 2024.

Members were advised the council, as an administering authority, has a duty to keep the Governance Compliance Statement under review and make revisions as appropriate. It also must publish a report outlining the extent of compliance against a set of best practice principles.

The Committee **considered** and **agreed** any issues as needing to be amended in the Governance Compliance Statement.

Members **approved** the amendments to the Governance Compliance statement.

24 **REVIEW OF THE COMMUNICATIONS POLICY**

The Committee was presented with the Havering Pension Fund Communications Policy 2024-2027. The Policy considers key

communications with stakeholders, the method and frequency of the communications.

Members were advised that the key objectives of the Policy are to communicate in the most appropriate medium for the audience, educate the various stakeholders of the benefits of the LGPS and to improve the service that Pension Fund members receive.

It was stated that the policy also aims to better utilise modern media that is cost effective and efficient, placing a greater emphasis on the use of the pension websites, including the PensionPoint self-service facility and Civica's Universal Pensions Management System which is the Local Pensions Partnership Administration's secure portal for employers.

It was explained that the Pension Team ensure the policy requirements are met through the use of an annual communication plan for members, also covering perspective members, and scheme employers. The plan is presented to the Local Pensions Board twice a year to provide an oversight and enable them to monitor progress. A summary of the key actions is included in the Pension Fund Annual Report.

It was stated that the policy content remains unchanged from the previous version.

The Committee **approved** the Pension Fund Communications Policy for the three year period to November 2027.

25 **REVIEW OF THE OVERPAYMENT OF PENSIONS POLICY**

The Committee were presented with a report on the Review of the policy for the overpayment of pensions following the death of a pensioner or dependant member.

It was stated that the policy was introduced in March 2019 enabling overpayments of pension of less than £250 net following the death of a pensioner or dependant member, where there was no ongoing dependant pension payable, to be automatically written off.

This ensures that any overpayments are treated in a fair and equitable manner and will prevent the administration team seeking individual write off approvals. It was agreed that the policy would be reviewed annually.

Members were advised that during 2023/24 the overpayments written off in line with the policy totalled £1,529.98, which falls within the expected maximum of £5,000.

It was explained that from 2024, it is recommended the policy be reviewed every three years in line with other administration policies.

The Committee **agreed**:

- the continuation of the Policy for the overpayment of pension following the death of a pensioner or dependant member
- the policy be implemented for a three year period and next reviewed in 2027 in line with other administration policies

26 INTRODUCTION OF THE BREACHES OF THE LAW POLICY

The Committee were presented with a report on the Introduction of the Policy for Reporting Breaches of the Law.

Members noted that following the introduction of the Pensions Regulators (tPR) new General (Single) Code of Practice for Occupational Pension Schemes, the London Borough of Havering Pension Fund is required to implement a policy for reporting breaches of the law. The new policy will become effective from 1 April 2025.

Members were advised that the policy ensures clear direction for the identification, recording and reporting of a breach of the law.

It was noted that the report also presented the annual review for the year to 31 March 2024 and confirms no material breaches of the law have been reported and consequently no reports to tPR have been made.

The Committee agreed to:

- approve the policy for reporting breaches of the law
- note there have been no reportable breaches for the 12 month period to March 2024

Chairman