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**MINUTES OF A MEETING OF THE
PENSIONS COMMITTEE
Council Chamber - Town Hall
10 December 2024 (7.01 - 9.18 pm)**

Present:

COUNCILLORS

Conservative Group Joshua Chapman and Viddy Persaud

**Havering Residents'
Group** Jacqueline Williams

Labour Group Mandy Anderson (Chairman)

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received for the absence of Councillors James Glass and Stephanie Nunn.

2 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

3 MINUTES OF THE MEETING

The minutes of the previous meeting would be presented at the next Pensions Committee meeting.

4 EXCLUSION OF THE PUBLIC

The Committee **agreed** the public should be excluded from all relevant parts of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

5 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED SEPT 2024

The Committee was presented with the Pension Fund Performance Monitoring report for quarter ending 30th September 2024.

It was noted that inflation had started to fall which in turn allowed interest rates to be cut whilst the equity rate was increasing.

The Committee then went into an exempt session to receive a presentation from a Fund manager.

Following the exempt session, Members noted the fund was valued over £1billion and will move to a cash flow negative position in the future. Officers then explained the LGPS update which included the 'Fit for Future' consultation which was due to end on 16th January 2025 and covered 3 areas; Pooling, Local Investment and Good Governance.

It was proposed by Officers that the training for Committee Members is made mandatory to bring it in line with the Local Pension Board which was agreed.

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 UK Property Manager (UBS) 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.

6 TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES

The Committee were presented with a report on the Taskforce for Climate-Related Financial Disclosures (TCFD) for the year ended 31 March 2024.

Members noted the Carbon net zero ambition and the outlined TCFD. Officers outlined the governance, strategy and metrics involved with the taskforce.

The Committee **agreed** the 31st March 2024 TCFD report.

7 INVESTMENT STRATEGY UPDATE - EQUITY PORTFOLIO REVIEW

The Committee received a report on the Investment Strategy Equity Portfolio Review.

Officers explained the proposed changes would not affect the 40% allocation but would, however, affect 5 other areas. Officers explained they were content with where the equity allocation was but proposed to switch from the LCIV GAGPA to the LGIM Future World Fund as it would bring more balance to the equity allocation.

The Committee:

- 1) **Agreed** to reduce the allocation to the London Collective Investment Vehicle Global Alpha Growth Paris Aligned (LCIV GAGPA) Fund from 15% to 12.5%
- 2) **Agreed** to increase the allocation to the Legal & General Investment Management (LGIM) Future World Fund from 10% to 12.5%

8 SERVICE REVIEW OF THE PENSION FUND CUSTODIAL & PERFORMANCE MONITORING SERVICE

The Committee were presented with the Service Review Report of the Pension Fund Custodial & Performance Monitoring Service during the period of 1st October 2023 to 30th September 2024.

Members noted the review was of the services provided by Northern Trust. Officers expressed they were satisfied with their performance. The report was more in-depth and allowed for more confidence for the Committee that the assurance was correct and as up to date as possible. The Committee noted the contract was due to end in September 2026.

The Committee:

- 1) **Noted** the views of officers on the performance of the Custodian and Performance Measurement Service (Table 1 and Section 2 refers).
- 2) **Agreed** to the commencement of tendering for a new Custodial Services contract using the new 'National Framework for Global Custody Services' for a period of 10 years from October 2026 at the estimated cost of £650k-£700k over the full contract period.
- 3) **Agreed** to enter into an Access Agreement to join the new National Framework for Global Custody Services Framework once refreshed, at the estimated cost of £8,000.00.

9 THE HAVERING PENSION FUND PENSIONS ADMINISTRATION STRATEGY AND CHARGING POLICY

The Committee received the Pension Fund Pensions Administration Strategy and Charging Policy.

Officers explained they were asking the Committee to agree to extend both policies by a maximum of 3 years. Members noted the policies had been presented to the Local Pension Board and employers. Officers explained the start date would be amended to be in-line with the start of the financial year.

The Committee:

- 1) **Approved** the Pensions Administration Strategy for a further 3 year period, or earlier if required to reflect changes in regulation
- 2) **Approved** the Charging Policy for a further 3 year period

Chairman