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MINUTES OF A MEETING OF THE PENSIONS COMMITTEE Council Chamber - Town Hall 24 June 2025 (7.00 - 8.37 pm)

Present:

COUNCILLORS

Conservative Group Joshua Chapman and Viddy Persaud

Havering Residents' Group John Crowder (Chairman)

Labour Group Keith Darvill

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

17 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

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

18 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

19 MINUTES OF THE MEETING

The minutes and exempt minutes of the previous meeting held on 18th March 2025 were agreed as a correct record.

20 EXCLUSION OF THE PUBLIC

The committee **agreed** to exclude members of the public and press for any necessary items.

21 PENSION FUND PERFORMANCE MONITORING FOR THE QUARTER ENDED MARCH 2025

The Committee received a report on the Fund's performance up to March 2025.

The Fund decreased by £11million however had since increased in value to pre-tariff levels. The Fund would undergo many changes however the details of those changes were still to be presented. A Bill was in Parliament for a second reading.

Individual Fund requirements and resources to manage local investment request were still to be confirmed. However it was noted the LCIV would need growth to meet all requirements. Employer contribution rates were reviewed based on their ability to meet obligations. The Fund accepted the evidence presented to it and reduced its rates by £2million. It was noted there would be no effect on cash flow.

Members noted that voluntary training would be made mandatory from April 2026.

The Committee:

- 1) **Considered** Hymans Performance Report (Appendix A Exempt)
- 2) **Received** presentation from the Funds Currency Hedging Manager Russell for an overview on the Hedging mandate (Appendix B – Exempt)
- 3) **Considered** the quarterly reports sent electronically, provided by each fund manager.
- 4) **Noted** the analysis of the cash balances.

22 **PENSION FUND ACCOUNTS 2024/25**

The Committee were presented with the Pension Fund Accounts for 2024/25.

The documents presented was an extract from the Havering Statement on Accounts. The Key bottom line was an increase of market value of £21million with £20million investment income being received. The audit on the accounts had started. The Committee suggested the Audit Committee should take actions to review internal controls and link them to the wider audit process.

The Committee **considered** and **noted** the Havering Pension Fund Accounts (unaudited) as at 31st March 2025.

23 **ANNUAL REPORT ON THE WORK OF THE PENSIONS COMMITTEE DURING 2024/25 AND 2025/26 - 2027/28 BUSINESS PLAN**

The Committee received a report on the work undertaken by the Committee and its 2025-28 Business Plan.

The report on the work undertaken was backwards looking on the previous year and was a general update for members to note. The Business Plan was outlined and no concerns were raised.

The Committee:

- 1) **Noted** the report on the work of the committee for 2024/25
- 2) **Agreed** the Business Plan for the three year rolling period 2025/26 - 2027/28 Business Plan.

- 3) **Considered** any additions to the work plan for the Committee for 2025/26 and beyond.

24 **PENSIONS ADMINISTRATION BUDGET 2025/26**

The Committee received a report on the Pensions Administration Budget for 2025/26.

Havering and Lancashire had a shared service agreement and the budget had increased by 14.14% to £740k. It was explained the LPPA was a non-profit making organisation and officers had met with LPPA representatives to understand why the increase was needed which were the numbers of members had increased and the cost per member had also increased. The cost per member increase was due to many factors including inflation and the additional National Insurance employer costs. Officers expressed optimism that costs would reduce in future years.

The Committee **approved** the 2024/25 budget of £0.740m for the provision of the LPPA pension administration service.

Chairman

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