

MINUTES OF PENSIONS COMMITTEE

Wednesday, 11 January 2023
(6:00 - 7:49 pm)

Members Present: Cllr Moin Quadri (Chair), Cllr Nashitha Choudhury, Cllr Rocky Gill, Cllr Giasuddin Miah and Cllr Tony Ramsay

Observers Present: Susan Parkin

Advisors Present: John Raisin and Nicholas Jellema

Apologies: Steve Davies

16. Training - Triennial Valuation, Investment Strategy, Asset Classes and the Fund Strategy Review

In accordance with the agreed schedule of training and prior to the formal business of the meeting, the Council's Investment Fund Manager, supported by the Pension Fund Accountant and the Independent Advisor to the Committee, provided a series of informative slides for Members detailing information about the Triennial Valuation of the Fund, Pension Investments and Performance 2019-2022, Asset Classes and the Pension Fund Strategy Review.

17. Declaration of Members' Interests

There were no declarations of interest.

18. Minutes (14 September 2022)

The minutes of the meeting held on 14 September 2022 were confirmed as correct.

19. Pension Fund Quarterly Monitoring- July to September 2022

The Investment Fund Manager presented a report on the Fund's performance during the period 1 July to 30 September 2022 (Quarter 3), including details of the performance of individual Fund Managers. The Committee also received a verbal update on the unaudited performance of the Fund up to 9 January 2023, as well as an update on the Fund's Investment Strategy and performance. There was also input from Nick Jellema, Hymans Robertson, on the performance of asset classes and how it tied into the impending Strategy Review.

The Investment Fund Manager responded to questions and observations about the underperformance of individual Fund Managers and the planned actions to address performance, which would be picked up as part of the Strategy review. In that respect he advised that rather than focusing on individual performance it was more appropriate to consider the overall portfolio, and in doing so consider a rebalancing of the Fund amongst Managers.

The Committee **noted**:

- (i) The progress on the strategy development within the Pension Fund,
- (ii) The daily value movements of the Fund's assets and liabilities outlined in Appendix 1 to the report, and
- (iii) The quarterly performance of pension funds collectively and of Fund Managers individually.

20. Administration & Governance Report

The report presented by the Pension Fund Accountant provided an update on the administrative and governance changes that had occurred since the last meeting. It set out the Fund's one and three-year cashflow forecast (1 April 2023 - 31 March 2025), an update on the London Collective Investment Vehicle (LCIV) as the Fund moved towards more pooled investments, details of the Internal Audit of the Pension Fund as set out in Appendix 1, together with a brief update from the Independent Advisor on Government Ministerial changes for the LGPS and the likely delays on a proposed consultation on further developing Investment (Asset) Pooling, which had originally been expected in 2019.

The Fund was legally required to provide a Compliance Statement (CS) to confirm adherence to the relevant Articles of the relevant Part or Parts of the Investment Consultancy and Fiduciary Management Market Investigation Order 2019, which in turn required the Fund to set Strategic Objectives for its investment consultancy provider (Hymans Robertson). Appendix 2 to the report set out an evaluation of the performance of Hymans against the objectives covering the period 15 December 2022 – 14 December 2023.

The Committee noted the report and agreed the investment consultant Strategic Objectives for 2023 as detailed.

21. 2021-22 Draft Pension Fund Accounts

The Committee noted the draft Pension Fund Accounts 2021/22 as set out in Appendix 1 to the report, which would be finalised once the audit commenced.

22. Business Plan Update 2021-23

The Committee **noted** progress on the delivery of the 2021-2023 Business Plans actions as set out in Appendix 1 to the report.