

# MINUTES OF PENSIONS COMMITTEE

Wednesday, 20 June 2018  
(7:00 - 7:47 pm)

**Members Present:** Cllr Giasuddin Miah (Deputy Chair in the Chair), Cllr Sade Bright, Cllr Laila M. Butt, Cllr Kashif Haroon, Cllr Adegboyega Oluwole and Cllr Foyzur Rahman

**Observers Present:** Gavin Palmer, Susan Parkin and Hugo Wuyts

**Advisors Present:** John Raisin, Colin Cartwright and Joe Peach

**Apologies:** Cllr Dave Miles

## 1. Declaration of Members' Interests

There were no declarations of interest.

## 2. Minutes - To confirm as correct the minutes of the Pensions Panel meeting held on 14 March 2018

The minutes of the Pensions Panel held on 14 March 2018 were confirmed as correct, with the following amendments:

### Minute 32 Independent Adviser, paragraph 3

To replace the word "job description" with "specification".

### Minute 37- Additional Voluntary Scheme Review

This should state: Additional Voluntary Contributions Scheme Review

### Minute 37

In the Panel's decision (i) to remove the word "have"

## 3. Pension Fund Quarterly Monitoring 2017/18 - January to March 2018

This report provided information for employers, members of London Borough of Barking and Dagenham Pension Fund ("the Fund") and other interested parties on how the Fund has performed during the quarter 1 January 2018 to 31 March 2018 ("Q1"). The report updated the Committee on the Fund's investment strategy and its investment performance. Due to the technical nature of this report, Appendix 2 provided a definition of terms used in this report and Appendix 3 sets out roles and responsibilities of the parties referred to throughout this report.

The Investment Fund Manager provided an oral update on the unaudited performance of the Fund for the period 1 April to 21 June 2018 was provided to

the Committee.

Over a one-year period the fund had grown by 5.3%, above the benchmark of 4.8%. Over the two years shown in table 4, all mandates were positive, with returns ranging from 0.4% with Newton to 22.5% with Kempen and Pyford significantly underperformed their benchmarks by 3.9% and 5.0% respectively and this would be monitored closely. Standish would also need to be monitored. It was noted that Baillie Gifford were one of the best performing Equity Managers.

Members asked about the effect of Brexit on the fund. The Investment Fund Manager advised that it was not possible to know exactly what the effect would be in the future after March 2019 and the Independent Adviser clarified that there was a diversified strategy to deal with this and the situation in all funds including equities, all of which were closely monitored.

Members were keen to ensure that intervention by Advisers and officers for each of the funds was able to continue. It was clarified that equities can go down as well as up and they were a long-term investment.

The Committee noted the report.

#### **4. Pension Fund Accounts 2017/18**

This report introduced the annual accounts of the London Borough of Barking and Dagenham Pension Fund for the year ended 31 March 2018, which was included as appendix 1.

The Pension Fund Accounts set out the financial position of the Pension Fund as at 31 March 2018 and as such acted as the basis for understanding the financial well-being of the Pension Fund. It also enabled Members to manage and monitor the Scheme effectively and be able to take decisions understanding the financial implication of those decisions.

The Committee noted in particular the summary on pension fund contributions and the numbers of members in the scheme and also the scheduled and admitted bodies in the fund.

The Committee noted the report and draft accounts for 2017/18.

#### **5. Administrative and Governance report**

The report updated the Committee on the Pension Fund Budget from 1 April 2018 to 31 March 2021 and the Cash flow of the fund up to 31 May 2018. It was noted that as the admitted bodies are closed to new entries, their contributions will decrease over time. Due to these changes, the overall member income will decrease in 2019/20 and 2020/21.

It was noted that the next Administrative and Governance report to the September meeting would include greater detail about the London Collective Investment Vehicle.

The Committee noted the report.

## **6. Business Plan Update 2018/19**

The purpose of this report was to update the Committee on progress regarding the Pension Fund's 2018 business plan.

Appendix 1 to the report provided a summary of the Business Plan actions from 1 January 2018 to 31 May 2018 and the actions for the remainder of 2018/19.

The Investment Fund Manager advised that a more detailed Business Plan update report and appendix would follow at the Committee meetings in September and December 2017. He also highlighted that Member training would take place as follows during the year:

Actuarial and Advisor requirement- September  
Knowledge and Skills update- December