MINUTES OF
PENSIONS COMMITTEE

Wednesday, 19 September 2018
(7:00 - 7:26 pm)

Members Present: Cllr Dave Miles (Chair), Cllr Sade Bright, Cllr Laila M. Butt, Cllr Kashif Haroon, Cllr Adegboyega Oluwole and Cllr Foyzur Rahman

Observers Present: Susan Parkin

Advisors Present: John Raisin and Colin Cartwright

7. Declaration of Members' Interests

There were no declarations of interest.

8. Minutes - To confirm as correct the minutes of the meeting held on 20 June 2018

The minutes of the meeting held on 20 June 2018 were confirmed as correct.

9. Pension Fund Quarterly Monitoring report 2018/19- April-June 2018

The report provided information for employers, members of London Borough of Barking and Dagenham Pension Fund and other interested parties on how the Fund has performed during the quarter 1 April to 30 June 2018.

The report updated the Committee on the Fund’s investment strategy and its investment performance and in particular the Investment Fund Manager advised that there were concerns about two investment fund managers, which will be monitored closely: BNY Standish and Newton. It was noted that the fund is performing well, with Baillie Gifford in particular one of the best performing equity 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; and

(iii) The quarterly performance of pension funds collectively and the performance of the fund managers individually.

The Committee agreed:

(i) That Aon Hewitt complete a strategy review of the Fund’s fixed income strategy and Diversified Growth Strategy and report to the December Committee with recommendations.
10. **Pension Fund Annual Report 2017/18**

The report presented the Committee with the Annual Report for the year ended 31 March 2018 and includes the 2017/18 Audited Pension Fund Accounts.


The Committee noted the report.

11. **Administration and Governance report**

It is best practice for Members to receive regular administration data and governance updates. This report covered three main areas including:

   i. Pension Fund Budget 1 April 2018 to 31 March 2021;
   ii. Cash flow to 31 May 2018; and
   iii. Timescales for the investment advisor, actuary and custodian.

It was particularly noted that overall, the Pension Fund was expected to be cashflow negative in 2021/22 and the overall member income would decrease in 2019/20 and 2020/21. Pension payments are forecast to increase due to the increase in the number of pensioners as well as to reflect an estimated pension increase of 3.0% in 2018/19.

In addition, the actuarial and investment advisor tenders would require interviews following a shortlisting process and a national framework would be used to reduce the time and cost. Committee members were welcomed to take part in the interviews, to take place in late October. The Investment Fund Manager would send details to the Committee.

Members asked about the number of members of the LGPS under age 18. The Investment Fund Manager would check this out and inform Members.

The Committee noted that:

   i. The Fund is cash flow positive;
   ii. The Fund’s three-year budget for the period 1 April 2018 to 31 March 2021; and
   iii. Timescales for the investment advisor, actuary and custodian.

12. **Business Plan Update 2018/19**

The purpose of this report was to update the Pension Committee on progress regarding the Pension Fund’s 2018/19 business plan.

Appendix 1 provided a summary of the Business Plan actions from 1 January 2018 to 31 August 2018 and the actions for the remainder of the year.

The Committee noted the report and business plan.

(The Chair agreed that this report could be considered at the meeting under the provisions of Section 100(4) of the Local Government Act 1972, as a matter of urgency).

At present, the Pension Fund has a number of Admitted Bodies, some of which have been members of the London Borough of Baking and Dagenham Pension Fund ("the Fund") for a number of years.

As Administering Authority, the Council cannot decline to admit a contractor if the contractor and the letting authority agree to meet the relevant requirements of the Local Government Pension Scheme (LGPS) regulations. In cases where the requirement of the LGPS regulations have been met, the Pensions Committee can agree to retrospectively admit an employer to the scheme.

Members asked the Investment Fund Manager for the relevant clause in legislation.

The Committee agreed:

The application for Admitted Body Status by Aspens, as a ‘closed’ agreement; and

The application for Admitted Body Status by Lewis and Graves Partnership Limited, as a ‘closed’ agreement.