

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSIONS COMMITTEE

HELD AT TIME NOT SPECIFIED ON THURSDAY, 30 JUNE 2016

**ROOM MP701, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON E14 2BG**

Members Present:

Councillor Andrew Cregan (Chair)

Councillor Md. Maium Miah
Councillor Abdul Mukit MBE
Councillor Candida Ronald
Councillor Andrew Wood

Union and Admitted Bodies, Non-Voting Members Present:

Kehinde Akintunde – Unions Representative

Other Councillors Present:

Apologies:

Councillor Gulam Kibria Choudhury
Councillor Clare Harrisson

Others Present:

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Officers Present:

Bola Tobun – (Investments and Treasury
Manager, Resources)
Kevin Miles – (Chief Accountant, Resources)
Neville Murton – (Service Head, Finance &
Procurement)
Nishaat Ismail – Committee Officer

1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of disclosable pecuniary interests were made.

2. APPOINTMENT OF VICE CHAIR

The Chair proposed that Councillor Clare Harrisson be appointed Vice-Chair of Pensions Committee for the duration of the municipal year. The proposal was seconded by Councillor Candida Ronald and, there being no other nominations, it was

RESOLVED

That Councillor Clare Harrisson be appointed Vice-Chair of Pensions Committee for the duration of the municipal year.

3. MINUTES OF THE PREVIOUS MEETING(S) (TO FOLLOW)

The Pensions Committee minutes of the 9th March were approved as a correct record of proceedings.

4. PETITIONS

No petitions were received relating to matters which the Committee is responsible.

5. SUBMISSIONS / REFERRALS FROM PENSION BOARD

An update was given informing the Committee of referrals made by the Pensions Board. The Committee heard that;

- An issue was raised by Pension Board Members about the performance of the Fund; its effect on the funding level and the consequential impact on the Council's budget
- The Chair was asked by the Board to write to the Chair of the Pensions Committee on this subject and draw attention to the importance of regular Member attendance at the Committee and at training events so these issues can be fully understood and addressed as appropriate
- The Board were updated on developments with the London CIV. One issue that emerged was some concern over lack of representation of beneficiaries in the CIV and how the overall governance arrangements can be improved.

6. REPORTS FOR CONSIDERATION

7. PENSIONS COMMITTEE TERMS OF REFERENCE, MEMBERSHIP, QUORUM AND DATES OF MEETINGS

The Clerk introduced the report informing Members that this annual report was presented to enable the Committee to note its arrangements and, if desired, agree an alternative meeting time for the duration of the municipal year.

RESOLVED

1. That the Terms of Reference, Membership and Quorum as set out in Appendix A to the report be noted.

8. MARKET OUTLOOK AND SMART BETA PRESENTATION

In the absence of Mr Haines, the Investment Adviser to the Committee, Ms Tobun the Investment and Treasury Manager delivered the presentation on Mr Haines behalf. The presentation gave a summary of Smart Beta and a summary of market conditions in the current period.

It was

RESOLVED

- That the contents the presentation be noted.

9. INVESTMENT PERFORMANCE REVIEW QUARTER END 31ST MARCH 2016 AND FUND REVIEW FOR FINANCIAL YEAR 2015/16

Bola Tobun, Investment and Treasury Manager presented the report which informed Members of the performance of the Fund in the preceding quarter. The following matters were noted:

- For the quarter, the Fund underperformed the benchmark by 0.4%
- The Fund is behind its benchmark for the last twelve months to end of March 2016
- For this quarter end, four out of eight mandates matched or achieved returns above the benchmark
- GMO underperformed the benchmark by posting a positive return of 2.5% against a target return of 2.9%
- Shroeder outperformed the benchmark for this quarter.

In response to Members questions the Committee heard that;

- The performance of Fund Managers was not impacted by budget cuts.
- It is important to identify poor performance of Managers and challenge strategies.

RESOLVED

1. That the contents of the report be noted.

10. REPORTING ON BREACHES POLICY

Ms Tobun, the Investment and Treasury Manager presented the report on Reporting Breaches Procedure. The following matters were noted:

- There is a statutory obligation to report “materially significant” breaches of the law to The Pensions Regulator (TPR) under section 70 of the

Pensions Act 2004 for the persons involved in running or advising Pensions Schemes.

- Those subject to this reporting requirement (Reporters) are: Scheme managers (in this case the Council as the Administering Authority, with responsibility delegated to the Pensions Committee), Pension Board Members, persons otherwise involved in the administration of the scheme, employer, professional advisers and persons otherwise involved in advising the Scheme Manager in relation to the scheme.

RESOLVED

1. That the Reporting Breaches Policy be noted.
2. The duties required of the Pensions Committee in its capacity as Scheme Manager be noted.

11. DATE OF FUTURE MEETINGS

22nd September 2016 and 7th December 2016.

12. TRAINING EVENTS

Nil.

13. ANY OTHER BUSINESS CONSIDERED TO BE URGENT

Nil items.

14. EXCLUSION OF THE PRESS AND PUBLIC

The Chair moved and it was

RESOLVED

That press and public be excluded from the remainder of the meeting in that under the provisions of section 100 of the Local Government (Access to Information) Act 1985 the press and public should be excluded the remainder of the meeting for the consideration of Section Two business on the grounds it contains information defined as exempt in Part One, Paragraph 3, Schedule 12 A to the Local Government Act 1972, which relates to information relating to the financial or business affairs of any particular person including the authority holding the information.

15. RESTRICTED MINUTES

The restricted Pensions Committee minutes of the 9th March were approved as a correct record of proceedings.

16. LGPS UPDATE - LCIV

This report was discussed in closed session and it was

RESOLVED

1. That the contents of the report be noted.

17. INVESTMENT UPDATE- REVIEW

The meeting ended at 19:08

Chair, Councillor Andrew Cregan
Pensions Committee