

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSIONS BOARD

HELD AT TIME NOT SPECIFIED ON MONDAY, 19 SEPTEMBER 2016

Members Present:

John Jones (Chair)	(Independent Chair)
John Gray (Member)	(Representing Active Admitted/Statutory Bodies Pension Fund Members)
David Stephen Thompson (Member)	
Councillor Dave Chesterton (Member)	(Mayoral Adviser for Strategic Planning) (Mayor's Cycling Adviser)
Minesh Jani (Member)	(Head of Audit and Risk Management, Resources)

Other Councillors Present:

Officers Present:

Ngozi Adedeji	– (Team Leader Housing Services, Legal Services, Law Probity & Governance)
Kevin Miles	– (Chief Accountant, Resources)
Bola Tobun	– (Investments and Treasury Manager, Resources)
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1. APOLOGIES

Apologies of absence were received from Stephen Stratton and Neville Murton.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

None declared.

3. UNRESTRICTED MINUTES

The minutes of the Pensions Board held on 27 June 2016 were agreed and approved as a correct record with the following amendments;

- Ngozi Adedaji, Team Leader of legal services requested the cover sheet be amended to reflect that she was in attendance at the previous Board meeting.

4. PRESENTATION FROM LONDON CIV (HUGH GROVER AND JILL DAVYS)

Jill Davy's from London CIV delivered a presentation to the Members of the Pensions Board and the main points highlighted were;

- The London CIV Board is part of the decision making process
- On a local level the Fund still has a considerable amount of responsibility.
- To ensure the delivery of value for money as more people move to pooling, the Committee were told by Ms Davy's the level of asset management will have to be increased with the Fund.
- At the moment London CIV do not have in house expertise or resources to employ their own Fund Managers.

In response to questions Members of the Board heard that there will be savings by joining the CIV but at this initial stage there won't be as London boroughs are quite heavily stretched.

In response to further questions the Board heard that decision making will remain at local level. The London CIV is trying to provide London authorities with as much choice as possible.

The Members also heard the Fund Managers are charged a service charge. Ms Davy's told the Board that policy decisions are made by a Joint Committee which is made up of 33 councillors.

It was

RESOLVED

That Members of the Board note the content of the presentation.

5. REVIEW AND UPDATED WORK PLAN FOR 2016/17 (TO FOLLOW)

The Treasury and Investment Manager, Bola Tobun told the Members of the Pensions Board that the Work Plan needs to be matched against their duties from the Pensions Board Terms of Reference.

In response to Members questions the Board heard that data was submitted late to the Actuary, which is why it was not reflected in the Work Plan.

It was

RESOLVED

That the review of the Work Plan and changes made be noted.

6. UNRESTRICTED MINUTES OF PREVIOUS PENSIONS COMMITTEE

There were no comments made by Members of the Pensions Board regarding the minutes of the Pensions Committee held on 30 June 2016.

7. PENSIONS COMMITTEE AGENDA FOR THE FORTHCOMING MEETING

The Pensions Board Members were told by the Investment and Treasury Manager, that the Fund Manager, Baillie Gifford did not perform well in the last quarter.

Members of the Board made reference to the Investment, Performance Review report. Members of the Board discussed the deficit recovery term. Most LGPS funds are in deficit because falling investment returns and increasing life expectancy. The actuary determines the period over which the deficit is to be recovered and considers the need to stabilise the employer's contribution rate, Members of the board noted that it is at a discounted rate.

In response to questions the Investment and Treasury Manager told the Board Members that by using the national framework to review independent advisory roles, it would avoid risks in reviewing them all at once. The Board Members also heard that it is bad practice to not review advisors regularly.

8. ANY OTHER BUSINESS CONSIDERED TO BE URGENT

Members of the Pensions Board were informed about the Public Service Pensions Act, where the Government wants all Funds to be measured by the same metric value.

Members of the Pensions Board were told at the 2013 valuation the Fund was 72% funded. The Investment and Treasury Manager, Bola Tobun had received the 2016 valuation from Hymans and the Fund was 85% funded. The Pensions Board were told that Hymans uses the same assumptions for all their clients so the significant increase in valuation was not only for Tower Hamlets.

Board Members expressed that they would like to receive a presentation on the Actuarial Review.

There was no other business considered to be urgent.

The meeting ended at 12:20 p.m.

Chair, John Jones
Pensions Board