

Pensions Committee

Agenda

Monday, 1 July 2024 at 6.30 p.m.
Committee Room - Tower Hamlets Town Hall,
160 Whitechapel Road, London E1 1BJ

Members:

Chair: Councillor Ana Miah

Vice Chair:

Councillor Saied Ahmed, Councillor Jahed Choudhury, Councillor Kamrul Hussain, Councillor Faroque Ahmed, Councillor Maisha Begum and Councillor Abdal Ullah

Co-opted Members:

Kehinde Akintunde (Trade Union Representative)

Substitutes: Councillor Asma Begum, Councillor Rachel Blake, Councillor Iqbal Hossain, Councillor Shahaveer Shubo Hussain, Councillor Maium Talukdar and Councillor Abdul Wahid

[The quorum for the Pensions Committee is 3 voting Members]

Contact for further enquiries:

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2nd Floor, Town Hall, 160 Whitechapel Road, London, E1 1BJ

<http://www.towerhamlets.gov.uk/committee>



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A Guide to Pensions Committee

To consider pension matters and meet the obligations and the duties of the Council under the Superannuation Act 1972, and the various statutory requirements in respect of investment matters.

Public Engagement

Meetings of the committee are open to the public to attend, and a timetable for meeting dates and deadlines can be found on the council's website.

London Borough of Tower Hamlets



Pensions Committee

Monday, 1 July 2024

6.30 p.m.

APOLOGIES FOR ABSENCE

1. DECLARATIONS OF INTERESTS (PAGES 7 - 8)

Members are reminded to consider the categories of interest, identified in the Code of Conduct for Members to determine: whether they have an interest in any agenda item and any action they should take. For further details, see the attached note from the Monitoring Officer.

Members are also reminded to declare the nature of the interest at the earliest opportunity and the agenda item it relates to. Please note that ultimately it is the Members' responsibility to identify any interests and also update their register of interest form as required by the Code.

If in doubt as to the nature of an interest, you are advised to seek advice prior the meeting by contacting the Monitoring Officer or Democratic Services.

2. APPOINTMENT OF VICE-CHAIR

3. MINUTES OF THE PREVIOUS MEETING(S) (PAGES 9 - 16)

To confirm as a correct record the unrestricted minutes of the meeting of the Committee held on 25th March 2024.

4. PETITIONS

To receive any petitions relating to matters for which the Committee is responsible.

5. SUBMISSIONS / REFERRALS FROM PENSION BOARD

6. REPORTS FOR CONSIDERATION

6.1 Pensions Committee Terms of Reference, Membership, Quorum and Dates of Meetings 2024-25 (Pages 17 - 28)

6.2 Tower Hamlets Pension Fund Closing 2023/24 and External Audit

Tower Hamlets Council
Tower Hamlets Town Hall
160 Whitechapel Road
London E1 1BJ

To follow.

6 .3 Governance and Compliance Statement

To follow.

6 .4 Admissions Policy

To follow.

6 .5 Training Strategy

To follow.

6 .6 Annual Benefits Statements (ABS) 2024

To follow.

7. TRAINING EVENTS

8. PENSIONS COMMITTEE WORK PLAN

9. ANY OTHER BUSINESS CONSIDERED TO BE URGENT

10. EXCLUSION OF PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion: “That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act,1972.”

EXEMPT SECTION (Pink Papers)

The Exempt/Confidential (pink) papers for consideration at the meeting will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Democratic Services Officer present or dispose of them in the confidential bins.



10 .1 RESTRICTED MINUTES OF THE PREVIOUS MEETING(S) (Pages 29 - 34)

To confirm as a correct record the restricted minutes of the meeting of the Committee held on 25th March 2024.

10 .2 City Gateway Cessation report for South Quay College

To follow.

10 .3 Quarterly Investment Review – March 2024

To follow.

10 .4 Carbon Metrics Review

To follow.

10 .5 Draft Updated Investment Strategy Statement

To follow.

10 .6 Independent Adviser Report – Q1, 2024

To follow.

Next Meeting of the Pensions Committee

Monday, 30 September 2024 at 6.30 p.m. to be held in Committee Room - Tower Hamlets Town Hall, 160 Whitechapel Road, London E1 1BJ



Agenda Item 1

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE PENSIONS COMMITTEE

HELD AT 5.30 P.M. ON MONDAY, 25 MARCH 2024

**COMMITTEE ROOM - TOWER HAMLETS TOWN HALL, 160 WHITECHAPEL
ROAD, LONDON E1 1BJ**

Members Present in Person:

Councillor Ahmodul Kabir
Councillor Iqbal Hossain
Councillor Jahed Choudhury (Speaker of the Council)
Kehinde Akintunde GMB Union Representative

Apologies:

Councillor Bodrul Choudhury Scrutiny Lead for Children & Education
Councillor Rachel Blake
Councillor Abdal Ullah

Others Present in Person:

Sandeep Chandarana Mercer
Tony English Mercer
John Jones Independent Chair
Colin Robertson Independent Adviser

Others In Attendance Virtually:

Carole S Bowes (Employment Lawyer, Legal Services, Directorate
Law, Probity and Governance)

Officers Present in Person:

Paul Audu (Interim Head of Pensions & Treasury)
Abdulrazak Kassim (Director Finance, Procurement and Audit)
Farhana Zia (Democratic Services Officer, Committees,
Governance)

1. DECLARATIONS OF INTERESTS

There were no declarations of Pecuniary Interest declared by the member of the Committee.

2. UNRESTRICTED MINUTES OF THE PREVIOUS MEETING(S)

The unrestricted minutes of 11th December 2023 were **AGREED** to be an accurate record of the meeting and were **APPROVED** by the Committee.

3. PETITIONS

No Petitions relating to the matters for which the Pensions Committee is responsible had been received by the Officer.

4. SUBMISSIONS / REFERRALS FROM PENSION BOARD

Mr John Jones, Independent Chair of the Pension Board presented his report on behalf of the Pension Board. He informed the Committee the Board had met on the 11th March 2024.

Mr Jones highlighted the reports the Board had reviewed and stated the Board had received an insightful presentation from Hymans Robertson on The Pension Regulators (TPR's) Code of Practice and the changes being made to it. He said LGPS's were expected to implement the changes by the 27th March 2024 however the TRP envisaged it would take pension schemes up to 12 months to be fully compliant. Mr Jones recommended the Committee also receive the same presentation at one of its meetings.

Mr Jones also informed Committee members that the Board would be holding an extraordinary meeting in April 2024, to review the Pension Fund's risk register as an up-to-date version had not been available at the last Pensions Board meeting.

- Members of the Committee had no questions for Mr Jones.

The Chair thanked Mr Jones for attending the meeting and presenting his report.

5. REPORTS FOR CONSIDERATION

5.1 Local Government Pension Scheme Consultation: Next Steps on Investments

Mr Paul Audu, Interim Head of Pensions and Treasury stated that the report provided an update on the consultation on the government had undertaken called "Local Government Pension Scheme (England and Wales) Next Steps on Investments". He said the Government's response was attached to the report. He informed members the Government was looking to press ahead with its plans to pool investments and there was a likelihood of LGPS pools to reduce from 8 to about 5 pools.

In response to comments and questions from members the following was noted:

- Mr Audu confirmed there was a plan to deal with investments outside of the pool and said this would be reported back to the Committee and Board. He said the plan was to include the other investments in the

LCIV where possible with an explanation as to why some of the investments were outside of the pool.

- Mr Audu said that Pension Scheme was open to all employees and whilst staff were auto-enrolled, some members choose to opt-out of the scheme for various reasons.

The Pensions Committee **RESOLVED** to:

1. Note the contents of the report; and
2. Note the Government's response to the consultation.

5.2 Pensions Administration and LGPS Quarterly Update – December 2023

Mr Paul Audu, Interim Head of Pensions and Treasury presented the Pensions Administration and LGPS Quarterly Update report. He said the report provided information on the administration and performance of the scheme and an update on key developments in the LGPS for the quarter to December 2023.

Mr Audu referred members to the table at paragraph 3.6 which showed performance against CIPFA targets. He said the performance had varied especially with a heavy workload. Mr Audu also referred to the legislative update set out at paragraph 3.13 onwards.

In response to comments and questions from members the following was noted:

- Members of the Committee had no questions for Mr Audu.

The Pensions Committee **RESOLVED** to:

1. Note and comment on the contents of the report and appendix;
2. Note the insourcing of Tower Hamlets Homes; and
3. Note academy conversions in the pipeline.

6. TRAINING EVENTS

Mr Paul Audu, Interim Head of Pensions and Treasury stated that the Pensions Committee members alongside Board members would be provided training to maintain their knowledge and understanding of pensions, in line with the legislative requirements. He said the training plan was interlinked with the Committee's work plan with a structured approach to the training which would follow the CIPFA framework.

In response to comments and questions from members the following was noted:

- Members concurred training and development were crucial for members to maintain knowledge and skills relating to Pensions work and looked forward to future training opportunities.

The Pensions Committee **RESOLVED** to:

1. Note the forthcoming training events.

7. PENSIONS COMMITTEE WORK PLAN

Mr Paul Audu, Interim Head of Pensions and Treasury said the work plan set out the reports coming to the Committee for the March 2024 meeting. He said a new workplan for municipal year 2024/25 would be presented to the Committee at its next scheduled meeting.

In response to comments and questions from members the following was noted:

- Mr Audu confirmed that Fund managers would be invited to present at future meetings of the Committee.
- Mr Audu said he would enquire if Committee members could be invited to attend meetings with Fund Managers at their place of business rather than attend a meeting in Tower Hamlets, so members could gain a better understanding of their work environment and how they chose investments.

The Pensions Committee **RESOLVED** to:

1. Note the work programme for the Committee.

8. ANY OTHER BUSINESS CONSIDERED TO BE URGENT

There was no other business to be discussed.

9. EXCLUSION OF PRESS AND PUBLIC

The Chair **MOVED** and it was

RESOLVED

That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act 1972.

9.1 RESTRICTED MINUTES OF THE PREVIOUS MEETING

The restricted minutes of the meeting of 11th December 2023 were agreed to be an accurate record of the meeting and were approved by the Committee.

9.2 Revised Investment Business Plan 2023/24

Mr Paul Audu, Interim Head of Pensions and Treasury stated that the attached report at appendix 1, was the revised Investment Business Plan for 2023/24. Mr Tony English from Mercer added the Investment Business Plan had been updated to reflect the agreed changes to investments.

In response to comments and questions from members the following was noted:

- Members of the Committee had no questions in relation to this item.

The Pensions Committee **RESOLVED** to:

1. Note the content of the report; and
2. Give consideration of the attached updated Investment Plan 2023/24 and agree the Business Plan.

9.3 Quarterly Investment Review - December 2023

Mr Paul Audu, Interim Head of Pensions and Treasury stated that the report informed members of the performance of the Pension Fund investments and its investment managers for the quarter ending December 2023. Mr Audu referred members to paragraphs 3.1 and 3.2 of the report and stated the Fund had achieved a 5.7% return over the quarter, outperforming its benchmark by 0.6%. He said Mercer had undertaken a deep dive regarding the performance of Baille Gifford and RBC and said this was included in their report.

Mr Sandeep Chandarana of Mercer referred to pages 63-64 of the meeting papers and the Mercer report appended at Appendix 1, saying the executive dashboard outlined the performance of the fund. He said the under-performance of Baillie Gifford had been due to interest rate rises however the situation was stabilising.

Mr English of Mercer raised the Ruffer performance, saying that although Mercer had a qualified rating for Ruffer, they still believed in the manager.

Mr Robertson, Independent Advisor then proceeded to provide his analysis of the markets and developments at the fund managers and referred to his report appended at Appendix 3. He highlighted the unhealthy concentration of equity market capitalisation in relatively few stocks and recommended some diversification into a "Value" manager.

In response to comments and questions the following was noted:

- Mr Robertson, Independent Advisor commented it was good to see the research relating to the under-performance. However, he questioned why Baillie Gifford and RBC were rated 'A' - page 73 given their performance, noting that Baillie Gifford had outperformed by only a modest 1.8% over a period when US Treasury yields had fallen from 5.2% to 4.1%. He was looking forward to seeing the latest monthly updates on these managers.

- Mercer stated they would continue to undertake enhanced monitoring of RBC and Baillie Gifford's performance and said they'd provide the Committee with regular monthly updates.
- **ACTION:** Committee Members said they'd like to receive regular updates via email in relation to the performance of RBC and Baillie Gifford as well as CQS – in reference to page 73 of the agenda.
- **ACTION:** The Chair requested Mr Audu to invite Ruffer to the next meeting of the Committee.

The Pensions Committee **RESOLVED** to:

1. Note the content of the report;
2. Note the attached monitoring report – Quarter to 31st December 2023 from Mercer (Appendix 1);
3. Note the original Mercer paper titled “Asset Allocation Considerations” (Appendix 2);
4. Note the update from the Independent Adviser, Colin Robertson for quarter to 31st December 2023 (Appendix 3);
5. Note the verbal update on the status of the Pension Fund Investment rebalancing given by Mercer at the meeting; and
6. Read the report in conjunction with the linked report titled “Portfolio Rebalancing – Index Linked Gilts.”

The Committee meeting was held during the holy month of Ramadan. The Committee adjourned at 18:23 and re-commenced at 18:55 to allow for the breaking of the fast.

9.4 ESG, Voting, Engagement and Stewardship Update

Mr Paul Audu, Interim Head of Pensions and Treasury presented the report which provided an update on the stewardship activities carried out by the Tower Hamlets Pensions Fund's investment managers and on its behalf the Local Authority Pension Fund Forum (LAPFF) in the quarter ending December 2023. Mr Audu referred members to the tables on page 102-103 of the agenda and said this outlined the voting activities of LCIV managers.

In response to comments and questions from members of the Committee the following was noted:

- Mr Jones, Independent Chair of the Pension Board commented the LAPFF voting and engagement activity was scrutinised by the Board. He said they used the comply or explain approach.
- Referring to pages 101/102 of the agenda, the Chair asked if the Fund needed to raise its ESG profile for 2024/25. Mr Audu responded stating they made good use of the LAPFF membership, and they would continue to work collaboratively with LAPFF to further the ESG targets.
- In response to if the Fund was a signatory of the stewardship code, Mr English confirmed that it was and said that a significant amount of time was required to produce the documentation. He said LCIV produced an annual report.

The Pensions Committee **RESOLVED** to:

1. Note the content of the report and appendices.

9.5 Revised Investment Strategy Statement (ISS)

Mr Paul Audu, Interim Head of Pensions and Treasury stated the report provided an update on the revised Investment Strategy Statement (ISS). Mr Sandeep Chandarana from Mercer referred members to the table at paragraph 4.6, page 196 and said this set out the long-term target investment strategy and the acceptable ranges around the long term target investment strategy for each asset class. Mr English referred members to page 208 and said this indicated the changes in the target allocations to each asset class. He said the Committee had previously decided to move assets into the affordable housing asset class, as well as increasing investment in Index-linked gilts.

In answer to comments and questions from members the following was noted:

- Members of the Committee had no questions in relation to this item.

The Pensions Committee **RESOLVED** to:

1. Note the content of the report; and
2. Considered and agreed the attached update to the ISS.

9.6 Portfolio Rebalancing – Index-linked Gilts

Mr Paul Audu, Interim Head of Pensions and Treasury stated the report provided an update on the rebalancing of the Pension Fund investment portfolio, as agreed by the Committee at its 11th December 2023 meeting. Mr Tony English from Mercer explained that the rebalancing meant the divestment of assets from the London CIV Ballie Gifford Diversified Growth Fund to the value of 5% of the pension fund and reinvestment of the proceeds into the index-linked gilts portfolio managed by Schroders. This had been done in early March 2024. He said that this was an interim arrangement, and the management of the index-linked gilts portfolio was to move from Schroders to BlackRock. He said the transition of funds from Schroders to BlackRock should happen in April 2024.

In response to comments and questions from members the following was noted:

- Members of the Committee had no questions in relation to this item.

The Pensions Committee **RESOLVED** to:

1. Note the content of the report;
2. Note the verbal update provided by Mercer on the Pension Fund investment re-balancing; and

3. Note the report should be read in conjunction with the report titled "Quarterly Investment Review – December 2023.

9.7 Risk Management Policy and Quarterly Review of Risk Register

Mr Paul Audu, Interim Head of Pensions and Treasury introduced the report and stated that the report provided an update on the changes to the Pension Fund Risk Register during the quarter ending 31st December 2023. He said paragraph 3.3 onwards provided an update on the outstanding risks and what was being done to mitigate against them. He said the risk register would be further scrutinised by the Pension Board and that a comprehensive review and report would be brought back to the Committee,

In response to comments and questions from members the following was noted:

- Members of the Committee had no questions in relation to this item.

The Pensions Committee **RESOLVED** to:

1. Note the detailed risk register appended to the report (Appendix 1).

The meeting ended at 7.39 p.m.

Chair, Councillor Ahmodul Kabir
Pensions Committee

Non-Executive Report of the: Pensions Committee Monday, 1 st July 2024	 TOWER HAMLETS
Report of: Linda Walker, Interim Director of Legal and Interim Monitoring Officer	Classification: Open (Unrestricted)
Pensions Committee Terms of Reference, Membership, Quorum and Dates of Meetings 2024-25	

Originating Officer(s)	Farhana Zia
Wards affected	All Wards

Executive Summary

This report sets out the terms of reference, membership, quorum and dates of meetings of the Pensions Committee for the Municipal Year of 2024/25 for the information of members of the Pensions Committee.

Recommendations:

The Pensions Committee is recommended to:

1. Note its Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1, 2 and 3 to this report.
2. Determine the preferred time at which the scheduled meetings will start.

1. REASONS FOR THE DECISIONS

- 1.1 The report is brought annually to assist new and returning Members by informing them of the framework of the Committee set out in the Council's Constitution.

2. ALTERNATIVE OPTIONS

- 2.1 The report asks Members solely to confirm its constitutional arrangements and therefore they are not required to consider any alternative options.

3. DETAILS OF THE REPORT

- 3.1 Each year, following the establishment of the Committee at the Council's Annual Meeting, it is customary that the newly established Committee considers its procedural arrangements.

Pension Committee Arrangements

- 3.2 At the Annual General Meeting of the full Council held on 15th May 2024, the Authority approved proportionality, establishment of the Committees and Panels of the Council and appointment of Members thereto. The membership of Pensions Committee for the municipal year 2024/25 was among the committees' memberships approved and these details are set out at Appendix 2 to the report.
- 3.3 Having been established by Council, it is customary that the committee (at its first meeting of the municipal year) note its terms of reference, and quorum. These are set out in Appendix 1 to the report.
- 3.4 The Committee's meetings for the remainder of the year, as agreed at the same meeting of the Council, are also provided at Appendix 3.
- 3.5 Meetings are scheduled to take place at 6:30 p.m. except where the meeting falls within the month of Ramadan where they will aim to take place at 5:30 p.m. The Committee may wish to discuss an alternative start time that suits its Members at the first meeting of the Committee.
- 3.6 It may be necessary to convene additional meetings of the Committee should urgent business arise. Officers will consult with the Chair and Members as appropriate.

4. EQUALITIES IMPLICATIONS

- 4.1 When drawing up the schedule of dates, consideration was given to avoiding school holiday dates and known dates of religious holidays and other important dates where at all possible.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,

- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 Not applicable to this report.

6. **COMMENTS OF THE CHIEF FINANCE OFFICER**

This report recommends that the Pensions Committee note its Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1 – 3. There are no direct financial implications arising from this report.

7. **COMMENTS OF LEGAL SERVICES**

7.1 The terms of reference, membership and quorum are consistent with the legal framework and Part A, Section 10 of the Council's Constitution and have been adopted by Council in accordance with Part A, Section 7(a).

Linked Reports, Appendices and Background Documents

Linked Report

- NONE
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Appendices

- Appendix 1 – Pensions Committee Terms of Reference
- Appendix 2 – Membership
- Appendix 3 – Scheduled meetings for the Municipal Year

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- NONE

Officer contact details for documents:

N/A

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Pensions Committee

<p>Summary Description To consider pension matters and meet the obligations and the duties of the Council under the Superannuation Act 1972 and the various statutory requirements in respect of investment matters.</p>	
<p>Membership 7 Councillors, 1 representative of the Admitted Bodies and 1 Trade Union representative. The Admitted Body and Trade Union representatives will be non-voting members of the Committee.</p> <p>Declaration of Interests: Members of the Pensions Committee including co-opted members, are required to declare any interests that they have in relation to the Pension Fund or items on the agenda at the commencement of the meeting</p>	
<p>Functions</p>	<p>Delegation of Functions</p>
<ol style="list-style-type: none"> 1. To act as Trustees of the Council’s Pension Fund, consider pension matters and meet the obligations and the duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pensions’ legislation. 2. To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and global custodians and periodically to review those arrangements. 3. To formulate and publish an Investment Strategy Statement. 4. To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium-term plan to deliver the objectives. 5. To determine the strategic asset allocation policy, the mandates to be given to the investment managers and the performance measures to be set for them. 6. To make arrangements for the triennial actuarial valuation, to monitor liabilities and to undertake 	<p>None</p>

<p>any asset/liability and other relevant studies as required.</p> <ol style="list-style-type: none"> 7. To monitor the performance and effectiveness of the investment managers and their compliance with the Investment Strategy Statement. 8. To set an annual budget for the operation of the Pension Fund and to monitor income and expenditure against budget. 9. To receive and approve an Annual Report and accounts on the activities of the Fund prior to publication. 10. To make arrangements to keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis. 11. To keep the terms of reference under review. 12. To determine all matters relating to admission body issues. 13. To review the Pension Fund's policy and strategy documents on a regular basis and review performance against the Fund's objectives within the business plan including stakeholder communications. 14. To maintain an overview of pensions training for Members. 15. To ensure compliance with the LGPS Regulations, Codes of Practice or guidance issued by the Pensions Regulator and the National Scheme advisory Board as they apply to pension benefits and the payment of pensions and their day-to-day administration and to be responsible for any policy decisions relating to the administration of the scheme. 16. Selection, appointment and termination of external Additional Voluntary Contribution (AVC) providers and reviewing performance. 	
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| <p>17. Approve policy on environmental, social and governance considerations, responsible investment and on the exercise of share voting rights.</p> <p>18. To review the risks inherent in the management of the Pension Fund.</p> <p>19. To consider any recommendations made or views expressed by the London Borough of Tower Hamlets Pensions Board.</p> <p>20. In relation to pooled asset arrangements under the London Collective Investment Vehicle (LCIV) Shareholder Committee:</p> <ul style="list-style-type: none"> • Undertaking the role of Shareholder in relation to the Shareholder agreement relating to LCIV • Functions relating to the LCIV including receiving and considering reports and recommendations from the London CIV Share holder Committee. • Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling and performance of LCIV. • Determining what the administering authority requires the pool to provide to enable it to execute its local investment strategy effectively. • Undertaking the role of Client in relation to the Service Level Agreement | |
|--|--|

Quorum: 3 Members of the Committee

Meetings: At least four times a year in the ordinary course of business and additional meetings may be arranged as required to facilitate work. Work for the year will be agreed with the Committee to include dedicated training sessions for Committee members.

Additional Information:

- Constitution Part D, Section 53 (Pensions Committee Meeting Procedure Rules)

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LONDON BOROUGH OF TOWER HAMLETS
PENSION COMMITTEE MEMBERSHIP 2024-2025

PENSIONS COMMITTEE (Seven members of the Council) Plus representatives from admitted bodies and trade union		
<i>Aspire Group (4)</i>	<i>Labour Group (3)</i>	<i>Admitted Bodies / Trade Union Representative</i>
Councillor Saied Ahmed Councillor Jahed Choudhury Councillor Kamrul Hussain Councillor Ana Miah Substitutes: Councillor Iqbal Hossain Councillor Maium Talukdar Councillor Abdul Wahid	Councillor Faroque Ahmed Councillor Maisha Begum Councillor Abdal Ullah Substitutes: Councillor Asma Begum Councillor Rachel Blake Councillor Shahaveer Shubo Hussain	Kehinde Akintunde (Trade Union Representative) Vacant (Admitted Bodies Representative)

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PENSIONS COMMITTEE

SCHEDULE OF MEETING DATES 2024-2025

Monday, 1st July 2024

Monday, 30th September 2024

Monday, 11th November 2024

Monday, 10th March 2025

Note

All meetings will start at 6:30 p.m. unless otherwise determined by the Chair.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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