

Minutes of the Meeting of the Pension Fund Panel

Date: Thursday, 2 July 2020

Time: 19:00-21:00

Meeting arrangements: Virtual meeting via MS Teams (Private Meeting)

Attendees:

Councillor Johnson (Chair), Councillor Rajinder Mann (Vice-Chair), Councillor Donnelly, Councillor Sahota, Councillor Manro, Councillor Nagpal, Councillor Young, Sukhminder Kalsi, (Union Representative)

1. Apologies for Absence

There were none.

2. Urgent Matters

There were no urgent matters.

3. Declarations of Interest

There were no declarations of interest.

4. Matters to be considered in Private

To determine whether items contain information that is exempt from disclosure by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1072.

Agenda Items 6 – 8 inclusive involved presentations from external Pension consultants were to be discussed in a private virtual meeting, due to the commercial sensitivity of the information being shared with the Panel.

5. Minutes

The Board considered the Minutes of the previous Pension Fund Panel meeting dated 11 March 2020.

RESOLVED:

The Panel approved the Pension Fund Panel minutes of the meeting which took place on 11 March 2020 as a true and accurate record of proceedings at the meeting.

6. Exclusion of the Press and Public

Resolved: That the press and public be excluded from the meeting due to the possible disclosure of exempt information as defined under paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972, having considered the public interest test.

7. Training – Darwin – Mike Kew

Mike Kew, Pension Consultant from Darwin, gave a training presentation which described their alternative investment strategy which could provide an investment opportunity for Ealing's Pension Fund as well as alternative way of managing some of Ealing's assets.

RESOLVED:

That the presentation be noted.

8. Hymans – Steven Law

Steven Law, of Hymans Robertson, gave a presentation alongside Mark Sharkey, of Club Vita, which described their predictions of UK populations longevity and predictions of the effects of the Corona Virus epidemic on Pensions in Ealing and Greater London.

RESOLVED:

That the presentation be noted.

9. London CIV Manager Update - Global Equity – Sylvia Knott-Martin

Sylvia Knott-Martin gave a presentation updating the Panel on London CIV's investment approach and performance of these investments on behalf of the London Borough of Ealing Pension Fund, updated the Panel on personnel changes within the Investment Management team at London CIV and provided reminders of key dates including the AGM, Business Update and a Meet the Managers WebEx. A copy of the presentation was to be provided to panel members after the meeting.

RESOLVED:

That, the Pension Fund Panel thanked the presenter and noted the content of the presentation and the issues raised by it. A copy of the presentation was to be provided to panel members after the meeting.

10. Pension Administration – Monitoring and Contract Arrangements Update

Jenny Connett Pensions Manager updated the panel on the performance of the external contractor, Local Pensions Partnership (LPP), responsible for the pension administration contract.

The Panel noted that since the last meeting in March 2020:

- SLM Dormers Wells became an Admitted Body in the fund from 1/11/2018 (only three staff are in this admitted body). These staff were previously employed by Greenwich Leisure, a current admitted body in the fund.
- that Greener Ealing Ltd was to become a Designated Body in the fund from 5/7/2020. There were potentially 32 staff TUPE-ing over who had a protected right to be in the LGPS. As Greener Ealing was wholly owned by Ealing Council, the admission fell under Part 2 of Schedule 2 of the LGPS Regulations. Unlike admission bodies, Designating Bodies were not subject to entering an admission agreement with the administering authority when they joined the Fund.

Jenny Connett concluded her presentation stating that in summary

- The pension administration internal audit report had now been finalised and would hopefully be going to the audit committee in July 2020. (the May audit committee was cancelled).
- The pensions administration external audit was currently in progress.
- The 2019 / 2020 end of year data had been uploaded onto the pensions administration system. The Pensions team were currently resolving queries, but everything was on track for the annual benefit statements to be available by 31/08/2020.

In response to a question from the Panel, Jenny Connett confirmed that for Greener Ealing there were complex pension arrangements due to multiple TUPE transfers particularly if any of the members had their first TUPE in 1994 when the service was first outsourced. However, Ealing officers were not able to offer any financial advice. Once in the scheme, the LPP would provide new members with transfer values at which point they could seek independent financial advice or from their Union if they are in one.

RESOLVED:

That the update be noted.

That, the Pension Board noted the update and recommendations.

11. Pension Fund Performance Monitoring and Update for the quarter ended 31 March 2020 and other matters

Bridget Uku, Group Manager, Treasury and Investment presented this item and firstly provided the Panel with the Pension Board meeting update:

- Concerns were expressed about the PFP's Investments in Oil Companies that it was felt were risky in current circumstances. Bridget Uku had explained that this was something that had been considered and that a tilt away from such investments had been introduced together with a number of actions regarding investment in fossil fuels. She confirmed that for the Pension Board's next meeting she had arranged for the Local Authority Pension Fund Forum (LAPFF) to talk to the Board about fossil fuel and non-fossil fuel investments.
- Just before lockdown the Pension board had tried to recruit additional members and had received seven applications. The Board had decided that the interviews should be carried out virtually, and shortlisting and interviews would take place between now and the September 2020 meeting

The Chair invited Bridget Uku, to talk through the Pension Fund Performance Monitoring and Update report for the quarter ended 31 March 2020:

- After a good February the fund value had dropped 12.35% but had recovered quite a lot up to end of March 2020 (slightly more than the benchmark of 12.03%).
- Bridget had ensured she had kept in touch with Fund Managers to find out how they were navigating through the volatile period.
- Equities had taken a hit but had virtually recovered, not as a result of being supported by fundamentals but by the UK Government's stimulus programme.
- The future was uncertain, but Food and Technology had performed well.
- Property Funds had struggled, and a number had to gate their funds to protect investors.
- Private Debt companies (who lend Cash to Corporates) were having discussions with portfolio companies that they had lent to. The impact was expected after the second quarter of 2020 as businesses that had been closed for 3 months would request payment holidays or for the rescheduling of loans.
- Accounting deadlines had been extended for all Local Authorities by two months. There would be a slight delay in the Pension Fund accounts being produced as Auditors would not be coming in until the end of July 2020.
- Th UK Supreme Court Judgement relating to LGPS clarified that the Government could not direct investments of Local Authorities, however the Government had indicated they intended to Appeal the decision.
- As of June 2020, Equities had performed well; the valuation was 91% funded which was felt to be good under the circumstances

RESOLVED:

That the update be noted.

12. Date of Next Meeting

The next meeting was scheduled for 3 September 2020.