

Pension Fund Committee

Minutes

20 December 2023

Present:

Chair: Councillor David Ashton

Councillors: Jerry Miles Norman Stevenson
Nitin Parekh

Trade Union Observers: Barbara Adjei-Kyem - GMB

Independent Advisers: Mr C Robertson Independent Adviser

Honorary Alderman R Romain Independent Adviser

Apologies received: Pamela Belgrave - GMB

Absent: John Royle - Unison

73. Attendance by Reserve Members

RESOLVED: To note that there were no reserve Members in attendance at this meeting.

74. Declarations of Interest

RESOLVED: To note that Councillor Norman Stevenson declared a non-pecuniary interest in that he was a Director of Cathedral Independent Financial Planning Limited and had clients who were past and present members of the Harrow Pension Scheme. Furthermore, he declared that his

wife was a member of Harrow Council's Pension Scheme. He would remain in the room whilst the matters were considered and voted upon.

75. Minutes

RESOLVED: That the minutes of the meeting held on 19 September 2023, be taken as read, and signed as a correct record.

76. Public Questions

RESOLVED: To note that no public questions were received at the meeting.

77. Petitions

RESOLVED: To note that no petitions were received at the meeting.

78. Deputations

RESOLVED: To note that no deputations were received at the meeting.

Resolved Items

79. Audit of Pension Fund Accounts 2021-22

Members received the Audit of Pension Fund Accounts 2021-22 from Mazars.

At its meeting 12 October 2022, the Committee had reviewed and approved the draft pension Fund Annual Report and Accounts for 2021-22. Since that meeting, the Committee had received regular updates on the progress of the audit. Although the audit was largely complete, and only a small number of presentational changes were required, the requirement for the auditor to confirm that the Pension Fund accounts were consistent with the Council's main accounts meant that formal sign-off of the Pension Fund accounts was delayed. The delays were mainly due to a number of national issues affecting local authority audits more generally.

The audit had now been completed. Mazars had reported the outcome to the Governance, Audit, Risk Management and Standards Committee (GARMS) Committee on 29 November 2023.

Members asked how Harrow's Pension Fund Accounts compared with other London Boroughs, and whether there was room for improvement. The auditors advised that there were no errors in the audited accounts, and therefore, no control recommendations had been made. The auditor also indicated that relative to its peers, the absence of errors and the quality of the accounts submitted for audit was very good.

RESOLVED: That the report be noted.

80. Government Consultation on Investments and Pooling

Members received a report which provided an update on the recently published results following responses to the consultation document on Local Government Pension Scheme (LGPS) Investments and Pooling.

The Government had undertaken a consultation on reforms to the arrangements for investment of LGPS assets. The latest plans had been outlined in the Chancellor of the Exchequer's speech at the annual Mansion House dinner in July 2023. During that speech the Chancellor had announced reforms for the LGPS in England and Wales, covering asset pooling, levelling up and opportunities in private equity. Following this, the Department for Levelling Up Housing and Communities (DLUHC), published a consultation on the areas the Chancellor had highlighted in his speech.

A key target announced is a minimum pool size of £50m – London Pension Funds' total assets at 31 March 2023 were £45 billion, of which LCIV currently manages £14 billion pooled or committed, and a further £12.3 billion is in passive investments whose fee levels were negotiated by LCIV.

Members queried the "Definition of Levelling Up investments" and whether social aspects should be considered. It was advised that "Levelling Up" was an outcome and not an asset class. It was envisaged that social aspects to investments would continue being paramount, through investments such as housing for rent (including social housing) and urban regeneration. However the key issue will be ensuring that the investments meet the Fund's return objectives.

RESOLVED: That the report be noted.

81. Investments & Managers Performance Review

Members received a report on the Investments and Managers Performance Review.

The report updated the Committee on regular items as follows:

- draft work programme for the remainder of 2023-24 on which the Committee's comments and agreement were requested;
- the investment and management performance dashboard report summarising key fund performance and risk indicators and PIRC Performance Indicators;
- fund performance to 30 September 2023 and 31st October 2023; and
- update on Audit of Annual Report and Accounts for 2021-22.

Members requested that meeting dates for the next Municipal Year be communicated as soon as practical, and that future meetings be held on Mondays.

RESOLVED: That the draft work programme for the remainder of 2023-24 be approved.

82. Exclusion of the Press Public

RESOLVED: That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
12.	Investments and Managers Performance Review (Appendices 3 and 4).	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
13.	Update on Pension Fund Procurements (Actuarial Services and Investment Consultancy Services).	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
14.	Investment Strategy Implementation.	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

83. Investments & Managers Performance Review

Members received two confidential appendices to the report on the Investments and Managers Performance Review. There was a detailed discussion about the unsatisfactory performance of certain investment managers.

RESOLVED: That appendices 3 and 4 be noted.

84. Update on Pension Fund Procurements (Actuarial Services and Investment Consultancy Services)

Members received a confidential report which provided an Update on Pension Fund Procurements (Actuarial Services and Investment Consultancy Services).

RESOLVED: That the report be noted.

85. Investment Strategy Implementation

Members received a confidential report on the Investment Strategy Implementation.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.56 pm).

(Signed) Councillor David Ashton
Chair