

Minutes of the meeting of the Pension Fund Panel

Date: Thursday, 14 December 2023

Venue: Room 5.12, Perceval House, 14-16 Uxbridge Road, Ealing W5 2HL

Attendees (in person): Councillors

C Anderson (Chair)

D Martin (Vice-Chair), Y Johnson, R Wall, I Nijhar and A Young

Apologies:

Attendees (virtual): Councillors

M Rice

1 Apologies for Absence

There were none.

2 Urgent Matters

Bridget Uku informed the panel that the recommendation on point 1.25 on pg 208 of the agenda pack should have included:

Authorise the Strategic Director Resources to progress and oversee the implementation of the revised strategy following consultation with the (PFP) Chair, Vice Chair and Opposition spokesman and report back at regular intervals.

3 Declarations of Interest

There were none.

4 Matters to be Considered in Private

The Chair clarified the items to be considered in private for the panel which included the Training item 6 would be held in private as they contained information that was exempt from disclosure by virtue of paragraph(s) of Part 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

5 Minutes

That the minutes of the Pension Fund Panel meeting held on 12 September were signed and agreed as a true and accurate record.

6 Training - Alternative Investments

Mike Kew and James Penny, from Darwin Alternatives presented a status update to the Pension Board.

Resolved:

That, the panel thanked Mike Kew and James Penny for the presentation.

7 Strategy Review and Fund Performance Update

The chair invited Bridget Uku and Phillip Pearson to update the board on the pension fund strategy review.

Resolved:

That the panel thanked Phillip Pearson and Bridget Uku for their presentation.

8 Pension Fund Administration Update

The Chair invited Jenny Connett to present the pension fund administration update. She stated that:

- Performance had increased recently after a readjustment to a new administrative system.
- The number of pensioners that were under Ealing's pension fund had increased and expected to continue to increase.

In response to the panel Jenny Connett stated that:

- There were some outstanding cases to catch up with, because of these cases largely being death related and they are complex cases.
- the 1 to 1 sessions got booked up very quickly and there was not enough capacity to meet with every pension member.
- Pensioners in need of urgent payments could expect to receive funds in a matter of days and the pension fund would not lend money.
- There was no way to force people to take the survey and recognised that there was little statistical use in the graphs of very few survey respondents.

Resolved:

That the panel thanked Jenny Connett for her presentation and noted the report.

9 Pension Fund Performance Monitor Update for Quarter ended 30 September 2023

The Chair invited Bridget Uku to present the pension fund performance update.

Bridget Uku presented the report that could be found on pages 43 – 72.

Bridget stated that:

- The council had written a redemption notice to Lothbury Management. She added that Lothbury Management potentially would be under a new owner in the new year and Ealing would be happy to invest given new ownership.
- The fund had been underperforming compared to expectations in several areas.
- The chancellor had asked councils to begin pooling investments expecting listed securities to be pooled by 31 March 2025.
- The government had also requested that councils increase their private equity funds up to 10% of their total portfolio.

In response to the panel Bridget Uku and Phillip Pearson stated that:

- Some funds could take 10-15 years to pool their funds, Ealing could take only 3-4 years.
- Student accommodation will not perform as well over the next year as student numbers had peaked and many could not afford the rates currently charged. He stated that student accommodation was still an interesting asset class and there was still growth potential.
- Lothbury had requested that their termination be extended until March 2024 to allow merger discussions to proceed.

Resolved:

That the panel thanked Bridget Uku and Phillip Pearson for their presentation and approve all recommendations within the report.

10 2022-23 Pension Fund Annual Report and Audit Arrangements

The Chair invited Bridget Uku to present the pension fund annual report and audit arrangements.

Bridget Uku presented the report that could be found on pages 73 – 206.

Resolved:

That the panel approve the recommendation within the report.

11 The Pension Fund Asset Allocation Strategy Review

The Chair invited Bridget Uku to present the pension fund asset allocation strategy review.

Bridget Uku gave an overview of the report and the recommendation that could be found on pages 207-250.

Phillip Pearson explained to the panel the strategy revision and the suggested reasons for it. He highlighted the main goals of the strategy revision which were:

- Active risk removal
- Diversify property
- Accelerate implementation to progress to net zero
- Implement new asset classes

Resolved:

That the panel thank Bridget Uku and Phillip Pearson and approve all recommendations within the report.

12 Ealing Pension Fund Responsible Investment

The Chair invited Bridget Uku to present the report.

Bridget Uku presented the report that could be found on pages 251 – 262. She stated that:

- The fund was less carbon intense than the general market.
- Ealing was still waiting on quotes from consultants to assist Ealing and waiting for guidance for local authorities on how to decarbonise.

Phillip Pearson stated that:

Ealing was way ahead of the curve in decarbonising their fund and their contributions to green companies was well above average.

There were a few changes that could be made to accelerate the funds decarbonising.

There were funds that promise a 7% reduction in carbon year on year in line with the IPCC's recommendation for global warming below 1.5 degrees.

Resolved:

That the panel thanked Bridget Uku and Phillip Pearson for their report and approve all recommendations.

13 Date of Next meeting

Meeting commenced: 7.00 pm

Meeting finished: 8.33 pm

Signed:

Dated: Thursday, 21 March 2024

C Anderson (Chair)