

Pensions Advisory Panel

MINUTES of the OPEN section of the Pensions Advisory Panel held on Tuesday 28 July 2020 at 3.00 pm at Online/Virtual:

PRESENT: Councillor Victoria Mills (Chair)
Duncan Whitfield
Caroline Watson
Chris Cooper
Julie Timbrell
Derrick Bennett
Barry Berkengoff
Susan Greenwood
David Cullinan

**OTHERS
PRESENT:** Tom Bacon
Mike Ellsmore
James Gilliland
Andrew Weir

1. APOLOGIES

Apologies were received from Councillor Jon Hartley and Councillor Eliza Mann.

2. CONFIRMATION OF VOTING MEMBERS

The members present were confirmed as the voting members.

3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were none.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES

RESOLVED:

That the minutes of the meeting held on 11 February 2020 be agreed as a correct record.

6. INVESTMENT UPDATE

Duncan Whitfield advised the pensions advisory panel that this meeting was to update the panel before the meeting on 8 September. He informed the panel that the position of the pension fund was much better than expected.

Susan Greenwood and Tom Bacon from Mercer updated the panel on the position of the pension fund and the performance of the various asset classes in which the fund had investments. They advised that the fund had performed well during this volatile period.

David Cullinan also updated the pensions advisory panel. He informed the panel that he also felt that the fund had performed very well as a result of its prudence and good governance. Currently the fund had an overweight in equities but this would give the pensions advisory panel some room to manoeuvre when it came to deciding on future strategies.

Caroline Watson updated the pensions advisory panel. She advised that it had been a challenging few months. She further added that The Fund benefited from a strong recovery in the quarter to June 2020, with a return to its December 2019 value by the end of May. The return for the quarter to June 2020 was a strong 12.8%. As set out above, it cannot be assumed that this recovery will continue in the short term, given the range of potential economic outcomes. Caroline advised that the plan was to review the fund's strategy at the next meeting in September before making decisions at the meeting in November.

There was a discussion around the possibility of investing in land and agriculture as well as low carbon transport and green energy.

It was also noted that new fund managers would be assessed in November and December.

Julie Timbrell suggested that Southwark should do publicity on the good work on the fund and become a beacon for other local authorities.

In summing up, Councillor Mills advised the panel that she felt that the fund had performed well and that the strategy to date had served the fund well.

Following the discussions the pensions advisory panel agreed the recommendations of the report as listed below.

RESOLVED:

1. That the update on fund performance over the quarters to March and June 2020 and

the impact of Covid-19 to date on the fund be noted.

2. That the proposed timing for the implementation of the investment strategy review recommendations be noted.
3. That the fund's asset allocation at 30 June 2020 as set out in full within Appendix A be noted.

7. PENSIONS SERVICES UPDATE - JULY 2020

Barry Berkengoff presented the report and updated the panel on the performance of the pensions services team and on a number of the team's initiatives.

He advised that the pensions services team was well staffed now after a number of appointments to the team.

He informed the panel that the contact centre pilot (to use the contact centre to answer low level pensions queries) had been reviewed after six months and that the decision had been taken to bring back the service to the pensions services team now that the team was better resourced. He also confirmed that the backlog of queries was now greatly reduced.

It was noted that there have been no major complaints against the pension fund or pensions admin team. However, there were pension related complaints made against the employer.

It was also noted that Southwark Council's payroll team failed to apply the 2020 PI uplift (1.7%) through SAP payroll as originally communicated. This was due to a number of sickness absences and admin issues. PI uplift was finalised/paid in July 2020. The delay was reported as a breach to the Pensions Regulator.

It was agreed that Barry would meet with any other officers in attendance at the pensions advisory panel, who wished to meet to discuss any urgent pensions cases or queries.

RESOLVED:

1. That the pensions services update be noted.

The meeting ended at 4.37pm.

CHAIR:

DATED: