



# SUPPLEMENTARY PACK PENSIONS COMMITTEE

Wednesday, 29th March, 2017

at 6.30 pm

Room 102, Hackney Town Hall, Mare Street,  
London E8 1EA

**Members:**

Councillor Kam Adams  
Councillor Robert Chapman (Chair)  
Councillor Feryal Demirci  
Councillor Michael Desmond (Vice-Chair)  
Councillor Patrick Moule  
Councillor Geoff Taylor

**Co-optees:**

Jonathan Malins-Smith

**Tim Shields**  
Chief Executive

**Contact:**  
Rabiya Khatun  
Governance Services  
Tel: 020 8356 6279  
Email: [Rabiya.khatun@hackney.gov.uk](mailto:Rabiya.khatun@hackney.gov.uk)

The press and public are welcome to attend this meeting

# **AGENDA**

**Wednesday, 29th March, 2017**

## **ORDER OF BUSINESS**

<b>Item No</b>	<b>Title</b>	<b>Page No</b>
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# ACCESS AND INFORMATION

## Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane, almost directly opposite Hackney Picturehouse.

**Trains** – Hackney Central Station (London Overground) – Turn right on leaving the station, turn right again at the traffic lights into Mare Street, walk 200 metres and look for the Hackney Town Hall, almost next to The Empire immediately after Wilton Way.

**Buses** 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

## Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall.

Induction loop facilities are available in Committee Rooms and the Council Chamber

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

## Copies of the Agenda

The Hackney website contains a full database of meeting agendas, reports and minutes. Log on at: [www.hackney.gov.uk](http://www.hackney.gov.uk)

Paper copies are also available from Governance Services whose contact details are shown on the front of the agenda.

## Council & Democracy- [www.hackney.gov.uk](http://www.hackney.gov.uk)

The Council & Democracy section of the Hackney Council website contains details about the democratic process at Hackney, including:

- Mayor of Hackney
- Your Councillors
- Cabinet
- Speaker
- MPs, MEPs and GLA
- Committee Reports
- Council Meetings
- Executive Meetings and Key Decisions Notice
- Register to Vote
- Introduction to the Council
- Council Departments

## RIGHTS OF PRESS AND PUBLIC TO REPORT ON MEETINGS

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the person reporting or providing the commentary is present at the meeting.

Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

# ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Corporate Director of Legal, HR and Regulatory Services;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

## 1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

## 2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

### 3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

### 4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

### Further Information

Advice can be obtained from Yinka Owa, Director of Legal on 020 8356 6234 or email [Yinka.Owa@hackney.gov.uk](mailto:Yinka.Owa@hackney.gov.uk)



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## Appendix 1b

### Investment Strategy – Consultation meeting 7<sup>th</sup> March 2017

#### Attendance

Cllr Robert Chapman

Cllr Geoff Taylor

Cllr Michael Desmond

Cllr Feryal Demirci

Cllr Kam Adams

Jonathan Malins-Smith

Andrew Johnston (Hymans Robertson)

Ian Williams

Michael Honeysett

Rachel Cowburn

#### Summary of Discussions

- The Investment Strategy consultation meeting was held on 7<sup>th</sup> March 2017 with the Fund's investment consultant, Hymans Robertson. The meeting allowed Members to discuss proposals for changes to the Investment Strategy in detail with the consultant, ensuring informed decision making.
- The meeting began with a recap of the strategy modelling carried out by Hymans Robertson following the 2016 actuarial valuation, which used stochastic modelling to assess a range of outcomes for the Fund given different investment strategies. The modelling has been used to highlight the probability of success for the different strategies across a fixed time frame, as well as the expected funding level for the worst 5% of outcomes.
- Andrew Johnston provided a market update, highlighting some of the risks posed to the Fund by current economic conditions.
- This was followed by a recap of the proposed changes, with a particular focus on the key strategic elements;
  - a proposed 10% reduction in the Fund's equity allocation to be used to fund an allocation to a multi-asset credit strategy
  - a shift in the UK/Global split within the equity portfolio from 50:50 to 25:75
- Members discussed the pros and cons of a shift away from equity noting that current equity high valuations do leave the Fund exposed, particularly in the event of rising rates. Members also discussed the implications of a move to a multi-asset credit mandate, including the types of credit such a mandate might invest in, which could include high yield bonds, secure loans, asset backed securities and emerging market debt.
- The risks of an allocation to these higher yielding credit types were discussed in detail, particularly with regards to asset or mortgage-backed securities. Andrew Johnston highlighted that the mandate would be targeting the higher credit quality end of the market,

targeting in the region of cash +3-5. The Fund should be focusing on strategies with primarily European exposure. He explained that as the key risk of investment into such a strategy is credit risk, it would be crucial to use a manager with proven experience of successfully managing defaults. If the proposal were to be agreed, it is intended that officers should work together with both Hymans Robertson and the CIV to identify a suitable strategy.

- Members noted that the proposed strategy helps to support the 50% carbon reserves reduction target agreed at the January Committee meeting. Both the overall reduction in the equity allocation and the shift in the UK global split should help to reduce the Fund's exposure.
- The possibility of investment in infrastructure was also considered. The risk return profile of infrastructure as an asset class is considered suitable for the Fund; however, opportunities to invest in it have historically been limited, with the size and internal resources of the Fund a significant limitation. Asset pooling could in time present suitable opportunities; the possibility of a 'special situations' allocation of 0-5% was therefore considered to permit the Fund flexibility in this area if the opportunity arose.