

Title of Report	Training - Investment Strategy and Climate Targets
For Consideration By	Pensions Committee
Meeting Date	19 January 2023
Classification	Public
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Ian Williams, Group Director Finance & Corporate Resources

1. **Introduction**

- 1.1. The purpose of this report is to introduce the training to be provided to the Committee in respect of investment strategy setting. The training will be provided by Redington, the Fund's Investment Consultant and will focus on the Committee's fiduciary duties in setting the investment strategy and the factors that need to be considered. It will also cover how these principles apply to the setting of climate targets.
- 1.2. This training is directly relevant to the discussion paper regarding climate targets to be considered at this meeting.

2. **Recommendations**

- 2.1. **The Pensions Committee is recommended to note the report.**

3. **Related Decisions**

- 3.1. None

4. **Comments of the Group Director of Finance and Corporate Resources.**

- 4.1. The Pensions Committee acts as Scheme Manager for the London Borough of Hackney Pension Fund and is responsible for ensuring the effective and efficient running of the Pension Fund.
- 4.2. The training session to be provided at this meeting in respect of investment strategy setting and carbon targets is being provided as information to members of the Committee to assist them in their decision making on the Fund's investment strategy, with a particular focus on fiduciary duties. The

training will also consider how the Committee's fiduciary duties impact setting and using climate targets. This is particularly relevant given the associated paper to be considered at this meeting.

- 4.3. There are no immediate financial implications arising from this report.

5. **Comments of the Director of Legal, Democratic and Electoral Services**

- 5.1. The Council's Constitution gives the Pensions Committee responsibility for a wide range of functions relating to management of the Council's Pension fund. In carrying out those functions the Committee must have regard to the various legislative obligations imposed on the Council as the Fund's Administering Authority, particularly by the Local Government Pension Scheme (LGPS) Regulations 2013.
- 5.2. This training provides the Committee with knowledge and understanding of issues relating to fiduciary duties and the setting of the Fund's investment strategy.

6. **Background to the report**

- 6.1. Following the expected completion of the 2022 Valuation in March 2023, the Fund plans to review its overall investment strategy, alongside the work currently being undertaken on net zero.
- 6.2. It is essential that Committee Members have a full understanding of the strategy setting process, with a particular focus on their fiduciary duty to ensure that the Fund is able to pay pension benefits when they fall due.
- 6.3. This training session from Redington, the Fund's investment consultant, will help all ensure that Committee members have a good understanding of the process and the factors that need to be taken into account when considering the Fund's investment strategy.
- 6.4. The training will also provide an opportunity to consider investment strategy issues of particular interest to Members, including local investment and climate targets.

Appendices

None

Background documents

None

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