

PUBLIC MINUTES OF A MEETING OF THE PENSIONS COMMITTEE

WEDNESDAY, 20 SEPTEMBER 2023

- Councillors Present:** Councillor Kam Adams in the Chair
Cllr M Can Ozsen and Cllr Lynne Troughton
- Co- Optees:** Jonathan Malins-Smith
Henry Colthurst
- Apologies:** Councillor Grace Adebayo, Councillor Ian Rathbone, Councillor Robert Chapman, Councillor Margaret Gordon, Councillor Ben Hayhurst and Councillor Frank Baffour
- Officers in Attendance:** Rachel Cowburn (Head of Pension Fund Investment and Actuarial), Georgia Lazari (Senior Lawyer), Jackie Moylan (Group Director of Finance), and Rabiya Khatun (Governance Officer)
- Also in Attendance:** Jill Davys and Sam Yeandle (Redington Investment Consultants) and Catherine Pearce (Aon Consultant).
- LCIV
Stephanie Aymes (Client Relationship Manager)
Umar Nazir (Portfolio Manager)
Yiannis Valramis (Senior Portfolio Manager)

1 **Apologies For Absence**

- 1.1 Apologies for absence have been received from Cllrs Adebayo, Baffour, Chapman, Gordon and Rathbone.
- 1.2 Those attending online were Cllrs Adebayo and Baffour, and Henry Colthurst.

2 **Declarations of Interest - Members to declare as appropriate**

- 2.1 Cllr Troughton declared an interest as a pensioner of the LGPS.
- 2.2 In response to a question regarding completing Committee members declarations of interest form, the Head of Pensions Fund Investments and Actuarial responded that the Declarations of Interest forms were being replaced by an online form that would be circulated to members shortly.

3 Terms of reference of the Pensions Committee

3.1 The Chair outlined the Terms of Reference of the Pensions Committee, contained within the refreshed Council Constitution which had come into effect on 4 September 2023. It was reported that this version required updating and a revised Terms of reference would be submitted to a future meeting.

RESOLVED: That the Terms of Reference of the Pensions Committee, which came into effect on 4 September 2023 be noted and subject to an updated version at a future date.

4 Consideration of the Minutes of the previous meeting

RESOLVED that the minutes of the previous meeting held on 14 June 2023 was agreed as a true and accurate record of proceedings.

5 Deputation

5.1 The Chair reported that the deputation relating to Divestment of Hackney Local Government Pension Scheme (LGPS) from companies complicit in human rights abuses in the Occupied Palestinian Territories had been deferred to the next Committee meeting on 28 November 2023 at the request of the Lead deputation.

6 Exclusion of The Press And Public

RESOLVED THAT the press and public be excluded from the proceedings of the Pensions Committee meeting during consideration of Exempt Report/Appendices at items 7, 8, 9, 10 (Appendix 5) and 13 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**7 Strategic Asset Allocation Review - Multi Asset Credit Implementation
EXEMPT**

7.1 The discussion and decision relating to this item are contained within the exempt minutes.

8 Pooling Consultation - Draft Response EXEMPT

8.1 The discussion and decision relating to this item are contained within the exempt minutes.

9 Treasury Management Strategy EXEMPT

9.1 The discussion relating to this item is contained within the exempt minutes.

RESOLVED:

- 1. Agree the Treasury Management Strategy for the Pension Fund for 2023-2026.**

2. **Delegate responsibility for Pension Fund treasury management to the Group Director, Finance, including the authority to add or remove institutions from the approved lending list and amend cash and period limits as necessary in line with the Council's own creditworthiness policy. Deviations from the strategy must be agreed with the Chair of Pensions Committee and ratified at the next committee meeting.**

10 **Quarterly Update Report**

10.1 Rachel Cowburn, Head of Pensions Fund Investments and Actuarial introduced the report providing an update on performance areas of Governance including McCloud remedy, Funding and any changes in participating employers, Investment including an update on the London CIV and implementation of the Fund's Responsible Investment policy, and the most recent information on the position of the Fund.

10.2 Catherine Pearce, Aon, provided an update on the McCloud remedy. In response to a question regarding the implementation of the McCloud remedy, it was clarified that Equiniti was progressing the work relating to calculations and collecting and updating scheme members data from 2017, upgrading the Compendia software system. There had also been an upward trend of the number of cases for calculation as more members expressed an interest in pensions.

10.3 Jill Davys, Redington Consultant briefly summarised the 15 questions and key takeaways from the Responsible Investment survey.

10.4 Sam Yeandle presented the Market Update for Quarter 3 summarising the Equity markets, inflation and interest rates, the US economy including soft landing and Fixed Income markets and key takeaways.

10.5 In response to a question regarding short term bonds, it was confirmed that there was a healthy return of approximately 9% yield on bonds.

10.6 The discussion relating to Exempt Appendix 5 - LCIV Votes against LAPFF recommendation is contained within the exempt minutes.

RESOLVED:

To note the contents of the report.

11 **High Level Monitoring (HLM) Report**

11.1 Rachel Cowburn, Head of Pensions Fund Investments and Actuarial introduced the report providing a high level update on key strategic Pension Fund matters including progress against the Business Plan, Strategic Objectives Scorecard, Risk Register and breaches of the law. It also provided the latest information on the position of the Fund and a snapshot of the Fund's performance against some key measures.

RESOLVED to note:

1. **the progress against the Business Plan tasks and actions, and agreed Budget**
2. **the current measures on the Strategic Objectives Scorecard**
3. **the Risk Register and the risks identified**
4. **the Breaches Register.**

12 Any Other Business Which in The Opinion Of The Chair Is Urgent

12. There was no other urgent business.

13 Consideration of the Exempt Minutes of the Previous Meeting

RESOLVED: That the exempt minutes of the previous meeting held on 14 June 2023 be agreed as a true and accurate record of proceedings:

Duration of the meeting: 6.35 - 9.54pm

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