

Pensions Advisory Panel

MINUTES of the OPEN section of the Pensions Advisory Panel held on Monday 17 July 2023 at 3.00 pm at Meeting Room 225 - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Stephanie Cryan (Chair)
Councillor Rachel Bentley
Councillor Emily Hickson
Clive Palfreyman
Caroline Watson
Jack Emery
Tracy Milner
Roger Stocker
Tim Jones
Geraldine Chadwick
Caroline Watson
Barry Berkengoff
Mike Ellsmore
Julie Timbrell
Colin Cartwright
David Cullinan
Richard Antrobus
Virginia Wynn-Jones

1. APOLOGIES

Apologies were received from Barry Berkengoff, the Pensions Manager.

2. CONFIRMATION OF VOTING MEMBERS

Councillor Stephanie Cryan, Councillor Rachel Bentley, Councillor Emily Hickson and Caroline Watson were confirmed as voting members.

Everyone introduced themselves.

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 6 March 2023 be agreed as a correct record.

6. MATTERS ARISING

There were none.

7. CONFLICTS OF INTEREST POLICY

Geraldine Chadwick, Interim Senior Finance Manager, Finance and Governance, presented the report.

Alan Wells, Senior Governance Lawyer, was in attendance to answer any questions.

There was a brief discussion.

RESOLVED:

That the conflicts of interest policy for the Pensions Advisory Panel (PAP) members and for those officers dealing with matters relating to the Pension Scheme be approved.

8. ASSET ALLOCATION

Jack Emery, Divisional Accountant - Pensions and Investments presented the

report.

There were no questions on the report.

RESOLVED:

That the fund's asset allocation at 31 March 2023 be noted.

9. CARBON FOOTPRINT UPDATE

Spandan Shah, Interim ESG Manager, Finance and Governance, presented the report.

There were questions on the report and a discussion.

RESOLVED:

That the fund's carbon footprint at 31 March 2023 be noted.

10. ADVISERS' UPDATES - QUARTER TO MARCH 2023

David Cullinan presented his report and updated the panel.

Colin Cartwright from Aon presented his report and updated the panel.

There were questions and a discussion on the reports.

RESOLVED:

That the quarterly investment updates be noted.

11. ZERO CARBON INVESTMENT STRATEGY: IMPLEMENTATION PROGRESS UPDATE

Caroline Watson, Senior Finance Manager, Treasury and Pensions, introduced the report.

There were questions on the report and a discussion.

Caroline Watson advised that the pensions advisory panel would be updated on the £100m Robeco investment at the next meeting.

She also informed the panel that the responsible investment policy would be brought to the next meeting.

RESOLVED:

1. That the recent progress in the implementation of the net-zero carbon strategy, as set out in the report, be noted.
2. That the decision, made at the special meeting of 9 March 2023, to appoint Robeco as multi-asset credit manager with a £100m allocation, be ratified.
3. That the decision to invest £30m in the Darwin Leisure Development Fund be ratified.

12. UPDATE ON NEWTON PORTFOLIO

Tracy Milner, Interim Pensions Investments Manager, presented the report.

There were questions on the report and a discussion.

David Cullinan undertook to do a piece of work to analyse Newton's performance for the next meeting.

RESOLVED:

That the recent activity to transition the Newton global equity portfolio to progress the implementation of the Fund's net-zero carbon strategy, as set out in the report, be noted.

13. UPDATE ON TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Caroline Watson presented the report.

There were questions on the report and a discussion.

RESOLVED:

That the update on the requirements of the Taskforce on Climate-related Financial Disclosures (TCFD) and how the fund is preparing for this be noted.

14. PENSION SERVICES - ADMINISTRATION FUNCTION UPDATE

In the absence of Barry Berkengoff, the Pensions Manager, Clive Palfreyman, Strategic Director, Finance, presented the report.

There were no questions on the report.

RESOLVED:

That the update on the pensions administration function be noted.

15. LOCAL PENSION BOARD UPDATE

Mike Ellsmore, Chair of the Local Pension Board, updated the pensions advisory panel on the last meeting of the local pension board.

There was a brief discussion.

At this point, the Chair requested that an item on equality, diversity and inclusion (EDI) be added to the agenda for the next meeting.

RESOLVED:

That the update from the local pension board (LPB) meeting of 5 April 2023 be noted.

ANY OTHER OPEN BUSINESS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT

There was a discussion regarding the Chancellor's Mansion House speech with reference to the pooling of funds.

It was noted that there would be a 12 week consultation.

It was agreed that the Chair and the Strategic Director would circulate the response to the consultation to the other voting members of the panel before it was submitted.

EXCLUSION OF THE PRESS AND PUBLIC

The following is a summary of the decisions taken in the closed part of the meeting.

16. QUARTERLY INVESTMENT UPDATE - AON

The voting members of the pensions advisory panel considered the closed information relating to the Aon presentation section of this item. Please see item 10 for the decision.

17. ZERO CARBON INVESTMENT STRATEGY: IMPLEMENTATION PROGRESS UPDATE

The voting members of the pensions advisory panel considered the closed information relating to this item. Please see item 11 for the decision.

18. UPDATE ON NEWTON PORTFOLIO

The voting members of the pensions advisory panel considered the closed information relating to this item. Please see item 12 for the decision.

19. QUARTERLY ACTUARIAL FUNDING UPDATE

The voting members of the pensions advisory panel considered the closed information relating to this item.

RESOLVED:

That the updated funding position at 31 March 2023 as set out in Appendix 1 of the closed agenda.

Meeting ended at Time Not Specified

CHAIR:

DATED:

[CABINET ONLY]

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, [DATE].

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.

