



Pensions Advisory Panel

MINUTES of the OPEN section of the Pensions Advisory Panel held on Monday 9 December 2024 at 2.00 pm at Meeting Room 225 - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Stephanie Cryan (Chair)
Councillor Rachel Bentley
Councillor Emily Hickson
Clive Palfreyman
Barry Berkengoff
Tracey Milner
Spandan Shah
Tufazzal Miah
Helen Laker
Roger Stocker
David Cullinan
Colin Cartwright
Marco Gonzalez

1. APOLOGIES

Apologies were received from Caroline Watson, Chief Investment Officer.

2. CONFIRMATION OF VOTING MEMBERS

Councillor Stephanie Cryan, Councillor Rachel Bentley, Councillor Emily Hickson and Barry Berkengoff were confirmed as 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 open minutes of the meeting held on 30 September 2024 be agreed as a correct record, and signed by the Chair.

6. MATTERS ARISING

There were none.

7. LOCAL GOVERNMENT PENSION SCHEME (ENGLAND AND WALES) FIT FOR THE FUTURE - CONSULTATION

Tracey Milner, Interim Pension Investments Manager, introduced the report and informed the meeting that a draft response to the consultation was being put together and would be circulated to the Pensions Advisory Panel (the Panel) as soon as possible.

The Panel discussed the report, the implications and possible changes for the Panel, the issue of Additional Voluntary Contribution (AVC) investment pooling, and how other councils may respond to future developments.

The Panel asked for the issue of AVCs to be brought back to a future Panel meeting.

RESOLVED:

1. That the content of this report be noted.
2. That it be noted that officers will circulate to members of the Panel a draft response to the LGPS (England & Wales) Fit for the Future Consultation, ahead of the consultation deadline.

8. UPDATE ON THE LOCAL PENSION BOARD

The Chair congratulated Mike Ellsmore on his re-election as Chair of the Local Pension Board (LPB).

Mike Ellsmore then updated the Panel on the last meeting of the LPB including the

results of a desktop review by Barnett Waddingham in relation to the Fund's level of readiness for complying with provisions of the new General Code of Practice.

The Panel raised some questions, and discussed, the Barnett Waddingham report.

RESOLVED:

That the update from the Local Pension Board (LPB) meeting of 9 October 2024 be noted.

9. PENSIONS SERVICES - ADMINISTRATION AND OPERATIONAL UPDATE

Barry Berkengoff, Head of Pension Operations, presented the report.

Some questions were raised about the report and these were discussed, as well as a brief discussion on formal complaints and the risks of pension scamming and pension liberation on the Funds.

RESOLVED:

That the update on the pensions administration and operational function be noted.

10. ASSET ALLOCATION AND NET ZERO STRATEGY UPDATE

Tracey Milner, Interim Pensions Investment Manager, introduced the report.

There were questions on the report and a discussion regarding the content of the report.

RESOLVED:

That the Fund's asset allocation at 30 September 2024, overall performance and other matters considered by the officers and advisers of the Fund during the quarter to the end of September and post quarter end be noted.

11. ADVISORS' UPDATES - QUARTER TO DECEMBER 2024

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.

12. INVESTMENT IN CONFLICT ZONES

The Chair informed those present that this item would be taken in the closed session.

13. LISTED ASSETS REVIEW

The Chair informed those present that this item would be taken in the closed session.

14. CARBON FOOTPRINT UPDATE - 30 SEPTEMBER 2024

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

There were questions on the report and on the impact of the US elections, and a discussion.

RESOLVED:

That the Fund's updated carbon footprint as at 30 September 2024 be noted.

15. UPDATE ON ENGAGEMENT AND VOTING ACTIVITY

Spandan Shah presented the report.

There were questions on the report and a discussion.

RESOLVED:

That the Fund's engagement and voting activity for the quarter ended 30 September 2024 for the underlying investments of the Fund be noted.

16. METRICS TO BE CONSIDERED AS PART OF THE EQUALITY, DIVERSITY, AND INCLUSION POLICY

Spandan Shah presented the report.

There were questions on the report and a discussion.

RESOLVED:

That the key KPIs/metrics the Fund will consider as part of implementing a standalone Equality, Diversity, and Inclusion ('EDI') policy (or 'the Policy') which was discussed in the previous meeting be noted.

EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

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

17. CLOSED MINUTES

The voting members of the Panel considered the closed information relating to this item.

18. QUARTERLY INVESTMENT UPDATE - AON CLOSED REPORT

The voting members of the Panel considered the closed information relating to this item.

19. QUARTERLY ACTUARIAL FUNDING UPDATE - SEPTEMBER 2024

The voting members of the Panel considered the closed information relating to this item.

20. LISTED ASSETS REVIEW

The voting members of the Panel considered the closed information relating to this item.

21. INVESTMENT IN CONFLICT ZONES

The voting members of the Panel considered the closed information relating to this item.

The meeting ended at 4.20 pm

CHAIR:

DATED: