

## **Pensions Advisory Panel**

MINUTES of the OPEN section of the Pensions Advisory Panel held on Wednesday 9 March 2022 at 1.00 pm at Meeting Room 225 - 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Rebecca Lury (Chair)  
Councillor Jon Hartley  
Duncan Whitfield  
Caroline Watson  
Barry Berkengoff  
Julie Timbrell  
Roger Stocker  
Colin Cartwright  
Jonathan Taylor  
David Cullinan  
Mike Ellsmore  
Andrew Weir

### **1. APOLOGIES**

Apologies were received from Councillor Eliza Mann and Derrick Bennett.

### **2. CONFIRMATION OF VOTING MEMBERS**

Councillor Rebecca Lury, Councillor Jon Hartley 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 meetings held on 22 December 2021 and 26 January 2022 be agreed as a correct record subject to recording that Roger Stocker was present at the meeting on 26 January 2022.

#### **6. CARBON FOOTPRINT UPDATE**

Before the report on the carbon footprint update, Colin Cartwright from Aon gave an update on the global situation affecting the markets.

He also advised that the fund had only one £500,000 exposure to Russia. Duncan Whitfield advised that it was not possible to sell the one holding due to the markets being closed.

There was a brief discussion regarding the blend of assets held by the fund and the reasons for this.

Caroline Watson, Senior Finance Manager, then presented the report on the carbon footprint update.

She advised that the carbon emissions data for September 2021 show that the Fund has reduced its weighted carbon exposure by 50% since September 2017.

The carbon emissions data as at 31 December 2021 was currently being assessed within the context of the updated investment strategy statement and as such had not been included at this stage.

There was a discussion about measuring carbon footprints. It was also noted that there were plans to recruit an internal carbon footprint analyst.

There was then a brief discussion regarding what the fund would have to look at over the next eight years and the types of funds and investments that would be suitable for the fund.

##### **RESOLVED:**

That the fund's progress on reducing the carbon footprint from 30 September 2017 to 30 September 2021 be noted.

## **7. QUARTERLY INVESTMENT UPDATES**

David Cullinan updated the panel. He advised that equities now accounted for 55% of the fund's assets. He noted that the returns over the last four years had outperformed the bench mark.

He advised that volatility had picked up but the fund was well diversified.

Colin Cartwright and Jonathan Taylor from Aon had nothing to add to their update, which they had given before the carbon footprint update.

### **RESOLVED:**

That the quarterly investment updates be noted.

## **8. QUARTERLY ACTUARIAL FUNDING UPDATE**

Caroline Watson presented the report.

It was noted that at the end of December 2021, the fund was 118% funded, up from 114% in the previous quarter.

The actuarial valuation would begin at the end of March and would be finalised by the end of March 2023. It was noted that there would be no quarterly updates until the completion of the actuarial valuation.

Roger Stocker enquired about the London CIV. Duncan Whitfield advised that the fund did not invest in the LCIV as the LCIV did not have a carbon neutral target.

### **RESOLVED:**

That the updated funding position at 31 December 2021 be noted.

## **9. LOCAL PENSION BOARD UPDATE**

Mike Ellsmore updated the pensions advisory panel on the last meeting of the local pension board.

Mike Ellsmore provided the panel with a summary of the key areas of work from the last four years and highlighted areas that the local pensions board would work on over the next four years.

There was a discussion regarding the quality of data from non-Southwark Council employers, such as schools.

**RESOLVED:**

That the update from the local pension board (LPB) meeting of 19 January 2022 be noted.

**10. PENSION SERVICES - ADMINISTRATION FUNCTION YEAR END UPDATE**

Barry Berkengoff, the pensions manager presented the report and provided the panel with a year-end update covering the achievements of the pensions team over the past four years, together with forward planning goals over the next four years.

He advised that a full restructure undertaken to create a robust pensions team specialising in administration, data/IT, communications, training and project management.

There had been a focus on updating the technology used by the pensions team, which included the implementation of the new Civica UPM pensions administration, payroll, and contact centre software to replace legacy LGPS pensions administration system.

Also, Southwark was the only borough in London to be able to accurately report all enquiries received within the section.

Going forward there were plans to move to a new additional voluntary contributions provider. The pensions team was also in the process of creating new video resources and they would look into how improvements could be made in relation to the data provided from schools.

**RESOLVED:**

That the year-end update covering achievements over the past four years, together with forward planning goals over the next four years, be noted.

**11. ANY OTHER BUSINESS**

Duncan Whitfield thanked the pensions advisory panel for their work over the last four years and gave thanks to Aon, Mike Ellsmore and the local pensions board and to Councillor Rebecca Lury also.

Councillor Lury added her thanks for all the progress made over the last four years.

The meeting ended at 2.38 pm.

**CHAIR:**

**DATED:**