

MINUTES OF THE MEETING Pensions Committee and Board HELD ON Thursday, 25th July, 2024, 7:00 – 8:54pm

PRESENT:

Councillors: George Dunstall (Chair), John Bevan, Nick da Costa, Tammy Hymas (Vice Chair), Thayahlan Iyngkaran, Matt White, Ishmael Owarish, Keith Brown, John Raisin (Advisor) and Steve Turner (Advisor)

ALSO ATTENDING: Kodi Sprott, Tim Mpofu, Jamie Abbott, Taryn Eves, Patrick Uzize

1. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

2. APOLOGIES

Apologies for absence were received from Randy Plowright.

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

Representatives of Haringey Unison attended the meeting. Haringey Unison believed that members' pensions should be invested in areas which they felt provided social value.

Cllr Dunstall thanked the deputation party for attending the meeting, he explained the committee would discuss a work plan for the development of the fund's Responsible Investment Policy. Through this policy, the aim was to establish a framework for addressing social, environmental and governance issues across all investments. Alongside this there was also a plan to develop a governance framework for making sure appointed investment managers were accountable based on a set of criteria and in line with the fund's objectives. It was noted that the Pension Fund operated in a complex regulatory environment and assessing what was possible and in the best interests of members, would take time and could present significant challenges.

The following was noted in response to questions and comments made by the Committee and Board to the deputation group:

- Cllr Hymas asked the deputation party if there were specific beliefs they thought the committee should consider. They explained that the companies listed within their deputation should be investigated.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

Cllr Bevan had undertaken the following training:

MARCH

- INFORMA CONNECT ISSB Standards, TCFD & Climate Risk Reporting 2024
- TIKEHAU INVESTMENT MANAGEMENT Capital Energy Transition & Decarbonisation
- MALLOW STREET Fixed Income Spotlight
- PFIF Investing in UK Assets - Does it make sense?

APRIL

- SPS Alternative & Real Asset Investments Conference
- PENSIONS AGE Spring Conference
- PARTNERS GROUP London Investor Conference 2024

MAY

- PREQIN Benchmarking Private Markets
- LBH Climate Action Training
- LOMBARD ODIER Transition Investment Summit 2024
- LOCAL AUTHORITY PENSION FUND FORUM & IndustriALL Webinar: Social protection for garment workers in Bangladesh: the Employment Injury Scheme
- PROFESSIONAL PENSIONS LIVE 2024
- SWFI Global Wealth Conference London

JUNE

- Room 151s LGPS Private Markets Forum
- MALLOW STREET Private Markets Investment Focus
- MALLOW STREET Fixed Income Indaba
- PROFESSIONAL PENSIONS Defined Contributions Conference
- MALLOW STREET Renewable Energy Infrastructure
- EPFIF Managing the Transition to Net Zero & Making an Impact

JULY

- CIO INVESTMENT CLUB Fixed Income How to make Impact
- PORTFOLIA INTERNATIONAL ESG Club Conference Sustainable Growth For a New Era
- MALLOW STREET The Evolving Role of Securitised Credit
- EPFIF Asset Allocations Implications, Election and Geopolitical Implications
- AXA Biodiversity and Nature: The why and how of rescuing the planet

Cllr Dunstall had undertaken Chair's training.

7. MINUTES

RESOLVED:

That the minutes of the meeting held on 3rd March 2024 be confirmed and signed as a correct record.

Keith Brown requested to note a change specific to the item regarding the deputation. He noted a correction that the goal would be to create an index which could then be invested in.

8. PENSION FUND EXTERNAL AUDIT PLAN - YEAR TO 31ST MARCH 2024

Tim Mpofu, Head of Pensions and Treasury introduced the report. This report presented the draft audit plan prepared by the Pension Fund's external auditors, KPMG, for the audit of the Pension Fund's Annual Accounts.

KPMG discussed the audit plan. They explained that they would perform normal audit procedures as mentioned in the report to check if the valuation of assets remained appropriate. The auditors confirmed that a risk assessment of contributions and benefit payments had taken place in preparing for this audit. This was more from the point of view that this remained the first-year audit, but this would be reassessed again at year end once all evidence had been obtained.

The following was noted in response to questions and comments from the Committee and Board:

- Cllr Hymas queried on segregation of duties. KPMG explained they wanted to refer a segregation of duty from the perspective of preparer and a reviewer of the journal. Journals are the way that officers enter the financial information into the accounting system. The auditors would be looking for whether there were separate roles and responsibilities for this. It was noted that there was a process in place which officers would be sharing with KPMG as part of the audit. The outcome of this audit test could result in auditor recommendations on how this could be made more robust.
- Cllr Hymas raised a query regarding the financial accounts which had not yet been audited and what the process would be if an issue was identified. Taryn Eves explained that officers were waiting still for the previous auditors (BDO) and the Government to confirm what needed to be done from the new auditor on those accounts. It was noted that until that consultation was published, it would be difficult to state how this process would work in practice. Haringey was not the only authority whose accounts were still awaiting an audit opinion; however, officers were in direct contact with BDO and would update the committee as and when further information was available.

RESOLVED

This report was noted.

9. PENSIONS ADMINISTRATION STRATEGY

Jamie Abbott, Pensions Manager introduced the report. This report provided the Pensions Committee and Board with a draft version of the Pension Fund's revised Administration Strategy.

The following was noted in response to questions and comments from the Committee and Board:

- Cllr Bevan queried how many external employers were members of the scheme and whether any had been fined in the past for delays in providing information to the Pensions Administration team. Jamie Abbott confirmed that there were 60 external employers, none of whom had received a fine.
- Regarding the consultation process, it was confirmed that this had been circulated to all employers participating in the scheme and the team had received no challenge from any of the employers. It was further noted that it was not the intention of officer to punish employers by imposing fines. The intention was to seek to run the scheme more effectively.
- Cllr Hymas requested that the annual newsletter on the self-service portal be provided to the committee. Jamie Abbott would provide this to members.

RESOLVED

This report was approved by the committee following a vote of 9 for.

10. PENSIONS ADMINISTRATION UPDATE

Jamie Abbott, Pensions Manager introduced the report. This report provided the Pensions Committee and Board with updates regarding Pension Fund's administration activities for the quarter ending 31 March 2024.

The following was noted in response to questions and comments from the Committee and Board:

- Cllr Iyngkaran questioned whether there was a target of what proportion of active members were registered on the portal. Jamie Abbott explained there was no specific target but officers would be happy to continue seeing an increase in registered users. Frequent communications were going out to scheme members regarding this. Officers would continue working to ensure member numbers continued to rise, although it was likely that this was starting to plateau.
- Cllr Bevan queried about performance stats against KPI's. Jamie Abbott explained that across the board performance was good. However, the processing of transfers was identified as a key issue at the moment. It was noted that the team had recruited two new apprentices and the team were collectively going to re-prioritise the transfer backlog which they had at the start of the year following an internal training programme.

RESOLVED

This report was noted and approved following a vote of 9 for.

11. HARINGEY PENSION FUND RISK REGISTER

Jamie Abbott, Pensions Manager introduced the report. This paper was prepared to update the Pensions Committee and Board on the Pension Fund's risk register.

The following was noted in response to questions and comments from the Committee and Board:

- Craig Pattison queried the cyber risk being rated as green. Tim Mpofu explained that this risk needed to be reviewed again and would likely be changed to amber, at a minimum. It was further noted that internal controls report were received from all investment managers and there was a good level of assurance in terms of cyber security.
- Cllr Dunstall noted that it would be helpful to have a column to note where a risk was subject to change. Tim Mpofu confirmed that the team would seek to reflect this request in future iterations of the risk register.
- Cllr Hymas sought clarification on the backstop date of the outstanding audits. Taryn Eves explained that essentially the consultation under way was setting that backstop date of the 30th of September, however this was not yet agreed. The backstop date would mean that any work on previous years accounts would stop at that point.

RESOLVED

This report was noted.

12. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) UPDATE

Tim Mpofu, Head of Pensions and Treasury introduced the report. This paper provided an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities on behalf of the Fund.

There were no questions from members on this item.

RESOLVED

This report was noted.

13. RESPONSIBLE INVESTMENT POLICY DEVELOPMENT PLAN

Tim Mpofu, Head of Pensions and Treasury introduced the report. This report presented the Responsible Investment (RI) Policy development plan for the Pensions Committee and Board's consideration.

The following was noted in response to questions and comments from the Committee and Board:

- Cllr White noted that he thought it would be useful for officers to talk to other authorities who may have similar plans in place. Tim Mpofu confirmed that representatives from Waltham Forest Council and Haringey Council sat on the London CIV's, sustainable investment working group. It was noted that the key objective of the RI policy development programme would be to get a clearer understanding of the Pensions Fund's responsible investment implementation framework. Tim Mpofu added that the approved RI policy would have to be investable.
- Steve Turner noted that the most important issue in members consideration was to be aware of the legal position and whether members would be in a sound position to be able to make divestments based on ethical decisions. He also noted that he was aware that the CIV were looking into this issue and were potentially working on making some changes to an existing index tracking fund that might address some of these

concerns in terms of disinvestment from owners. Another potential solution was with consider inviting Legal and General, this fund's equity investment manager to provide an update on their approach to responsible investing. LGIM offered a vast array of different investment strategies, they also had an index tracking fund.

- Patrick Uzice advised that the statutory requirement was for the fund to invest in a wide variety of matters in accordance with the investment strategy and on the face of it would not prevent the fund in deciding not to invest in a specific kind of company. However, the wider impact of such a decision would have to be assessed and as a result the decision may breach the statutory requirement.
- Tim Mpofu explained that for the committee to reach a decision on strategy implementation, it would be helpful to officers if they received a clear steer from the committee regarding their investment beliefs and responsible investment priorities. Some of the planned workshops such as the ESG educational sessions, would touch on the general points related to responsible investing. It was highlighted that an anonymous questionnaire would also be produced, to provide
- officers and advisors with insights into the committee's priorities. Despite concerns around the tight timelines included in the development plan, officers were committed to complete this process as set out in the document and it was confirmed that an external advisor had been appointed to support the committee with this work.
- Cllr Bevan noted that it would be useful for LGIM to attend a future committee.

RESOLVED

This report was noted.

14. FORWARD PLAN

Tim Mpofu, Head of Pensions and Treasury introduced the report. This paper had been prepared to identify and agree upon the key priorities for the Pensions Committee and Board (PCB) over the upcoming months, as well as seek the PCB's input into future agendas.

The following was noted in response to questions and comments from the Committee and Board:

- Tim Mpofu confirmed that he would share the dates of relevant future training courses to members. Members were reminded and encouraged to undertake any training available, more specifically LOLA the self-directed training programme.

RESOLVED

This report was noted.

15. PENSION FUND QUARTERLY AND INVESTMENT PERFORMANCE UPDATE

Tim Mpofu, Head of Pensions and Treasury introduced the report. This report provided the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 March 2024.

- This item was to be discussed in depth under the exempt agenda item 19 as it contained some commercial sensitive items.

RESOLVED

This report was noted.

16. NEW ITEMS OF URGENT BUSINESS

There were no new items of urgent business.

17. DATES OF FUTURE MEETINGS

30TH SEPTEMBER 2024

2ND DECEMBER 2024

20TH MARCH 2025

18. EXCLUSION OF THE PRESS AND PUBLIC

Items 19-21 are likely to be subject to a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); para 3 – namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and para 5 – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

19. EXEMPT - PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE

The exempt information was considered.

20. EXEMPT MINUTES

RESOLVED.

The exempt minutes were approved.

21. NEW ITEMS OF EXEMPT URGENT BUSINESS

There were no new items of exempt urgent business.

CHAIR: Councillor George Dunstall

Signed by Chair

Date