

MINUTES OF THE MEETING Pensions Committee and Board HELD ON Thursday, 20th March, 2025, 7:00 - 8:30

PRESENT:

**Councillors: George Dunstall (Chair), John Bevan (Vice-Chair),
Thayahlan Iyngkaran, Matt White, Ishmael Owarish, Keith Brown,
Randy Plowright, Pattinson and Raisin (Advisor)**

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 Cllr Da Costa

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST AND CONFLICTS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

Grace Annesley attended the committee and presented a deputation, the below is a summary of this:

Grace attended the committee to urge Haringey Council to take decisive action, and that was to divest from companies involved in the occupation of Palestinian land and divest from arms companies. She explained that local activism aligned with the broader public opinion on this matter, 56% of UK voters supported a ban on armed exports to states engaged in human rights abuses.

The following was noted in response to questions from the committee:

- Cllr White queried her representation of pensions funds members, she explained she undertook an online petition to collect names and signatures to form part of a network.
- She had reached out to Tower Hamlets and Waltham Forest council and would like to pass this information across to the committee.

- The Future World Fund does not have blanket exclusions to companies of this nature. There was a version of the fund which followed the European Union's Paris aligned benchmark designation which excluded particular companies.
- In terms of progress, there have been workshops with the committee in terms to understand priorities. This included a survey and officers were going through the analysis, officers were also looking at investments against each priority that was identified through the survey. The team had underestimated the task and how complex it was, aiming to bring a draft responsible Investment policy to the September Committee.

Cllr Dunstall responded to the deputation:

Thank you for taking the time to make your deputation and speak to us tonight. As you'll be aware, the Council is the administering authority of the Haringey Local Government Pension Scheme, and the PCB exercises that function under the Council's Constitution. The PCB has a legal duty to manage the Fund by investing in a diverse range of asset classes including equities, bonds, property, and infrastructure in accordance with the Investment Strategy. This diversification aims to generate sufficient long-term returns, ensuring the Fund can fulfil its obligation to pay members' pension benefits as they fall due.

To fulfil this responsibility, the Fund has, for several years, maintained a policy of investing passively in equity markets through pooled funds managed by external investment managers. This approach minimises investment costs while ensuring appropriate diversification for the Fund. This means that the Fund does not directly hold any shares in individual companies. Pooled funds aim to track the performance of a specific index, following a rules-based approach established by the index provider. Consequently, pursuing exclusionary policies for individual companies or sectors is not feasible without incurring significant costs. Such actions risk financial detriment to the Fund and could breach our fiduciary duty.

As previously stated, the fund does not directly hold any shares in individual companies, however, it does have an exposure risk as a result of those tracker funds. All of the Fund's listed equities are invested through low-carbon tracker funds. This includes the RAFI Multi-Factor Climate Transition Fund, which aims for a 7% annual reduction in carbon intensity (carbon footprint relative to company value) by 2050.

As of 31 December 2024, the Fund's total investment portfolio was valued at approximately £1.93 billion. Of this total, the Fund had about 0.02% (£0.4 million) indirect exposure to companies commonly identified through several Freedom of Information requests as being linked to the arms trade (for example, BAE Systems, Elbit Systems).

For the same reasons it also has an exposure risk to companies listed by the Office of the United Nations High Commissioner for Human Rights (OHCHR). As of 31 December 2024, the fund had approximately 0.11% (£2.2 million) of indirect exposure to companies commonly identified by the OHCHR as conducting business activities in the Occupied Palestinian Territories. This consisted of 7 out of the 112 companies included on the list. The Fund is committed to the responsible and sustainable investment of its assets. All appointed investment managers are required to be signatories of the United Nations Principles for Responsible Investment (UNPRI).

Additionally, we request them to vote our shares in line with the Local Authority Pension Fund Forum (LAPFF) recommendations. LAPFF is an organisation representing 80 plus Local Government Pension Scheme (LGPS) funds and engages directly with companies on behalf of its member funds on a range of environmental, social, governance matters including human rights and international law.

The PCB continuously reviews the Pension Fund's strategies and policies to ensure they are fit for purpose and align with the Fund's long-term objectives. As a result of this ongoing review, we are currently developing the Fund's Responsible Investment Policy. A draft of this policy is expected to be completed by mid-2025, with implementation commencing in late 2025.

This policy will need to comply with the Council's statutory obligations on investments and will establish a framework for approaching social, environmental and governance issues across all our investments enabling us to respond consistently to ESG issues now and in the future. This policy will also take account, as appropriate, of the recent legal Opinions (of October 2024 and January 2025) received by the Scheme Advisory Board from Nigel Giffin KC.

Additionally, we plan to establish a governance framework to ensure our appointed investment managers are accountable, based on specific criteria aligned with the Fund's objectives. This work is also expected to be completed in 2025.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

There was no training undertaken since the last meeting by members.

7. MINUTES

RESOLVED:

That the minutes of the meeting held on 25th February 2024 be confirmed and signed as a correct record with a few minor amendments.

8. MEMBERSHIP

RESOLVED

Pensions Committee and Board are asked to:

Confirm the appointment of two employer members and two employee members for a four year term of office.

9. RESPONSIBLE INVESTMENT UPDATE

Taryn Eves introduced the item. This report updated the Pensions Committee and Board on the Fund's ongoing Responsible Investment development and implementation work. It also provided an update on the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities conducted on behalf of the Fund.

The following was noted in response to questions from the committee:

- Cllr Bevan asked officers to ensure LAPPF emails were circulated to co-opted members. Taryn Eves assured members that officers were working to ensure the timeline was still met despite delays. Some of the delays particularly before Christmas, were from the team putting in place the permissions to allow for access to the data.
- Taryn Eves explained that divestment has not been explicitly considered to date but there were future workshops scheduled to explore ideas further
- Cllr Dunstall noted the point of the responsible investment work for members to consider the ESG in the widest possible context. The conversations that the group have had to date were around understanding firstly, what the exposure to issues were; secondly what were tolerances I suppose for some of that is. What members wanted to try and get to was a framework for decision making that reflected the values that we have whilst not undermining duties as a administering authority.
- Keith Brown noted that members had to focus on how much the government wanted to intervene on the allocation of pension fund money.
- Taryn Eves explained that completion of works was heading for September.

RESOLVED

The Pensions Committee and Board is requested to note the content of this report.

10. PENSION ADMINISTRATION UPDATE

Rebecca Moore presented this item. This provided the committee with the following updates regarding Pension Fund's administration activities:

- Pension Fund membership update
- Online Member Self Service portal update
- Update on Service Level Agreement (SLA) statistics
- Pensions Dashboard Project (PDP) update
- Update on 2023-24 Pension Fund Audit
- Independent Advisors LGPS Update

The following was noted in response to questions from the committee:

- Jamie Abbott recently took up the position of the Head of Pensions role. Officers were actively looking at the structure in the pensions team and the capacity. Due to the level of work there may be a requirement for more roles within the team over the next 12 to 24 months.
- In the consultation 2026 was the date for the new regime, the Government wanted the pools to have a lot more influence, particularly not only implementation, but also in terms of investment strategy. The government also wanted to have more overview and scrutiny, and essentially in the end control of the pools. The pools were encouraged to think about their futures.

RESOLVED

To note this report and the information provided regarding the Pension Fund's administration activities for the quarter ending 31 Dec 2024.

11. RISK REGISTER

Jamie Abbott presented this item. This paper had been prepared to update the Pensions Committee and Board on the Pension Fund's risk register and provide an opportunity for the Pensions Committee and Board to further review the risk score allocation.

The following was noted in response to questions from the committee:

- Cllr White asked officers roundabout to write a reminder to the chief whips of the two political groups. There was a commitment to do everything that they could to keep the membership of the committee as steady as possible and the not doing so was a risk to the to the pension fund.

RESOLVED

To note and provide any comments on the Fund's risk register. The area of focus for review at this meeting will be Administrative-related risks.

12. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE

Jamie Abbott presented this item. This report provided the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 31 December 2024:

- Overview of fund performance including funding position update
- Independent advisor's market commentary
- Investment manager performance
- Asset allocation

The following was noted in response to questions from the committee:

- Steve Turner explained to the committee that members had taken steps over the past few years to diversify some of the risks. The fund was not as reliant on equity markets, with only 40% in equities for example, whereas some other LGPS funds would have materially more than that. When there are periods of market volatility, it does stress some of the benefits of having those diversifying allocations. As we go through the actuarial evaluation, officers would want to review the investment strategy alongside that, particularly bearing in mind the size of the surplus that the fund was currently showing based on the Hyman's analysis.

RESOLVED

To note the information provided in section 6 of this report regarding the Fund's investment performance and activity for the quarter ended 31 December 2024.

13. FORWARD PLAN

Jamie Abbott presented this item. 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 from the committee:

- Jamie explained that responsible investment goes on to December because the team were meeting in April to look at the key beliefs and how that tied in with current fund managers. Once this meeting has occurred and the team had agreed the beliefs this would be drafted. So, it could lead on to September but definitely would be finalised by June.
- Cllr Bevan suggested putting a member from the committee forward to LAPPF executive relations. Officers would look into the process.

RESOLVED

To note and provide any comments on the progress made towards the agreed key priorities outlined in section 6 of this report, specifically in regarding the responsible investment policy development and implementation of the fund governance review recommendations.

To identify additional matters and training requirements for inclusion within the Pensions Committee and Board's forward plan.

14. GOVERNANCE REVIEW IMPLEMENTATION PLAN

Taryn Eves presented the item. This paper had been prepared to outline the proposed implementation of the funds governance review recommendations following the review undertaken by the Funds independent advisor. Officers welcome comment from the Pensions Committee and Board on the content and timeframe.

The following was noted in response to questions from the committee:

- Cllr Iyngkaran sought clarification on the timelines of work. The work would not start before the start date quoted.
- The business plan was quite a fundamental piece of work. There may well be a few of those that slip through to 26/27, but the team knew their commitment was that they would complete this on a risk-based approach.

RESOLVED

To note and provide any comments regarding the proposed implementation plan of the fund governance review recommendations.

15. NEW ITEMS OF URGENT BUSINESS

There were none.

16. DATES OF FUTURE MEETINGS

- 17. EXCLUSION OF THE PRESS AND PUBLIC
- 18. EXEMPT - PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE
- 19. EXEMPT - LCIV/CBRE INDIRECT REAL ESTATE POOLING SOLUTION
- 20. NEW ITEMS OF EXEMPT URGENT BUSINESS

CHAIR: Councillor George Dunstall

Signed by Chair

Date