

MINUTES OF THE MEETING OF THE PENSIONS COMMITTEE AND BOARD HELD ON THURSDAY, 13TH JULY, 2023, 7.00 - 9.06 pm

PRESENT:

Councillors: Ahmed Mahbub (Chair), John Bevan (Vice-Chair), Nick da Costa, Tammy Hymas, Cathy Brennan and Matt White,

Co-opted Members: Ishmael Owarish and Randy Plowright

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 had been received from Mr Keith Brown, Mr Craig Pattinson and Councillor lyngkaran (Councillor Brennan was substituting in his place).

3. URGENT BUSINESS

None.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

None.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

Councillor Bevan had reported his training to Democratic Services.

The Pensions Committee and Board had received training on cashflow requirements shortly before the start of the meeting.

7. MINUTES

RESOLVED: That the minutes of the meeting held on 21 March 2023 be confirmed and signed as a correct record.

8. PENSION ADMINISTRATION UPDATE

Mr Jamie Abbot, Pensions Manager, presented the item.

The meeting heard that:

- The second recommendation on the agenda papers stating 'to note' referred to table listing the companies and the range of the services they offered. The recommendation to approve was to seek approval for admitting the listed companies into the Council's LGPS scheme.
- There had been a recent appointment to the role of Pensions Officer and there was now a fully staffed Pensions team.
- The department were looking to explore the appointments of apprentices. The Committee would be kept updated with progress on this issue. It was difficult to recruit for pensions expertise, but now that an appointment had been made, Human Resources would be contacted before the end of the year to ensure that an apprentice could be appointed.

RESOLVED

1. To note the report and the information provided regarding the Pension Fund's administration activities.
2. To note and approve the admission of the entities listed in section 6.14 of the report, as new employers participating in the Haringey Local Government Pension Scheme.

9. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE

The Chair noted that the item was also to be heard under item 19 as part of the exempt papers.

Mr Tim Mpofo, Head of Finance, presented the item.

The meeting heard that:

- It would be useful if a representative of London CIV were to attend a meeting and discuss with the Committee: their future funds, the pooling company and other relevant issues.
- A future investment and governance working group was suggested by members.
- There was an arrangement with two big asset managers in the UK. These managers did a lot of the passive funds and essentially those funds were not directly managed by the London CIV. However, there would be an arrangement in place where it considered these funds as pooled. The London CIV, since its inception, had set up different funds which were invested in directly, such as the Land London Safe Multi Asset credit, the London CIV. The Renewable Infrastructure Fund and the London Fund. These were investments that the London CIV had set up themselves. They had appointed

their managers and regularly monitored, managed and reported their performance. The other passive managed assets, although considered to be pooled assets, were not directly under their oversight. They didn't manage or make any decisions on those portfolios, and they just had an agreement in place.

RESOLVED:

To note the information provided in section 6 of this report regarding the Pension Fund's investment performance and activity for the quarter ended 31 March 2023. The meeting later considered the item under item 19.

10. INDEPENDENT ADVISORS LGPS UPDATE

Mr Tim Mporfu, Head of Finance, presented the item, noting that the Planning level funding position had improved from 113 to 132%

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

- LGPS funds in UK were not too small. The present funding level average was 106%. It was a highly funded scheme, achieved because individual LGPS funds made sensible asset allocations.
- Lancashire City Council had passed a motion calling on county councils to divest from investments in occupied territories. It was noted that this did not relate to the LGPS.
- It was noted that it was legitimate not to invest in an individual company on ESG grounds or financial grounds.
- There was a live petition asking the Committee to commit to not investing in occupied territories in Israel. The bill dealt with procurement as well as pensions. It was noted that there was a need to wait for final legislation for more certainty.
- If any fund was going to do exclusions, they would have to make sure it was strictly on investment grounds or ESG grounds; not the ESG grounds which could be said to be politically motivated.
- There were concerns over restrictions on members democratic rights related to demands being made by Members as well as infringed ability to make decisions over fiduciary duty. Chair to raise with Council Leader.
- The Chair asked for there to be an update on the second House of Commons reading at the next meeting.

The Chair sought clarification around whether more resource was required for McCloud work, officers stated this wasn't clear yet.

RESOLVED

To note the Independent Advisors, LGPS Update, June 2023 paper, appended as Appendix 1 to this report.

11. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) UPDATE

Mr Tim Mpofu, Head of Finance, presented the item.

- The Committee would be kept updated on the levels of engagement and if any other companies were coming forward with new climate transition plans.
- Members were reminded that LAPFF sent out a lot of information about the activities they had done. They also invited members to events to get a better understanding of the work being completed.

RESOLVED

To note the content of this report.

12. HARINGEY PENSION FUND RISK REGISTER

Mr Tim Mpofu, Head of Finance, presented the item.

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

- Apprenticeships within the Pensions Team had not been appointed to as yet. The team had appointed a Graduate Trainee who would be joining in September.
- It was important to distinguish short and long-term periods. Over longer time periods where inflation had averaged to the 2% target, the Investment Strategy in place had an expected return that was significantly higher. The fund had outperformed inflation over longer time periods.
- Regarding Gov4, a big challenge of the fund was to engage with the employers and employees. For employers, officers were soon to work over a new platform called IConnect – this would give employers more control over their data. Employees would have a member self-service.
- Regarding the Annual Pension Statement, last year the team did a double approach for active members. These members received the statement online via their members self-service portal. For deferred members, the team posted them out. There had not been a decision on how this would be done this year.

RESOLVED

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

13. FORWARD PLAN

Mr Tim Mpofu, Head of Finance, presented the item.

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

- There would be further strategy discussions outside of the formal Committee meeting.
- Reminders were set out to members of the dates of future LGA training sessions.

RESOLVED

To note the progress made towards the agreed key priorities outlined in section 6 of this report, specifically in relation to the investment strategy review work. To identify additional matters and training requirements for inclusion within the Pensions Committee and Board's forward plan

14. INVESTMENT STRATEGY REVIEW: CASHFLOW REQUIREMENTS REVIEW

Mr Tim Mpofu, Head of Finance, presented the item,

The Chair noted that the item was also to be heard as part of the exempt papers.

The Committee heard that:

- The papers that were brought forward are specifically to discuss what the cash flow requirement looked like and also would look at the options of making any changes to the investment strategy to ensure that we had a good cash strategy in place for the pension scheme.

RESOLVED:

1. To note Hymans Robertson's Cashflow Projections paper, appended as Confidential Appendix 1 to this report, and the advice contained therein.
2. To note Mercer's Income Considerations paper, appended as Confidential Appendix 1 to this report, and the advice contained therein.
3. To approve a change to the income distribution policy for the applicable global listed equities strategies managed by Legal and General Investment Management within the investment portfolio.
4. To delegate the authority to the Head of Pensions & Treasury to implement the above changes (if approved), after consultation with the Chair of the Pensions Committee and Board

15. NEW ITEMS OF URGENT BUSINESS

None

16. DATES OF FUTURE MEETINGS

6 September 2023

17. EXCLUSION OF THE PRESS AND PUBLIC

Items 18- 21 were subject to a motion to exclude the press and public from the meeting as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5; namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The meeting adjourned at 8:10pm for a short recess and reconvened at 8:17pm

18. EXEMPT MINUTES

RESOLVED: That the exempt minutes of the meeting held on 21 March 2023 be confirmed and signed as a correct record.

19. EXEMPT - PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE

The exempt recommendations were approved.

20. EXEMPT - INVESTMENT STRATEGY REVIEW - CASHFLOW REQUIREMENT

The exempt recommendations were approved.

21. NEW ITEMS OF EXEMPT URGENT BUSINESS

None.

CHAIR: Councillor Ahmed Mahbub

Signed by Chair

Date