

Report for: Pensions Committee and Board – 25 July 2024

Item number:

Title: Responsible Investment Policy Development Plan

Report

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Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non Key Decision

1. Describe the issue under consideration

1.1. This report presents the Responsible Investment (RI) Policy development plan for the Pensions Committee and Board's consideration.

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

3.1. To note and provide any comments on the proposed Responsible Investment Policy development plan including the programme timeline.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. According to the Local Government Pension Scheme (LGPS) Regulations, a Fund's primary investment objective is to ensure that assets are sufficient to meet current and future pension liabilities.

6.2. In line with this requirement, in January 2024, the Pensions Committee and Board (PCB) approved a revised version of the Investment Strategy Statement (ISS) after reviewing its investment strategy, following the completion of the 2022 actuarial valuation exercise.

6.3. As a key outcome of this review, the PCB agreed to develop a standalone Responsible Investment (RI) Policy. This policy aims to establish the Pension

Fund’s approach to integrating environmental, social and governance considerations into the investment process.

- 6.4. An RI policy is supplementary to the ISS. Therefore, any established policy must be complementary to the approved ISS and investible.
- 6.5. The Pension Fund has appointed bfinance, a specialist investment consultancy, to support in the development of this RI Policy. As part of this initial programme planning, the following outcomes have been identified:
 - To establish the Fund’s responsible investment beliefs
 - To develop a framework and approach to addressing ESG issues across asset classes
 - To ensure that the RI policy is implementable and practical, considering regulations and the impact on stakeholders
 - To develop a governance framework for holding appointed investment managers accountable based on set ESG criteria and objectives

Responsible Investment Policy Development Programme Timeline

- 6.6. The anticipated high-level RI policy development programme timeline is shown in the table below. This timeline is indicative and may change during the programme.

Activity	Description	Key Dates	Progress Update
Introductory session	An outline of the project plan and expected outcomes	July 2024	Completed
Workshop 1 – Educational Session on ESG	An introduction to ESG including a responsible investment beliefs questionnaire	September 2024	Initial stages of development
Workshop 2 – Outcomes of Questionnaire	A session on the outcomes of the beliefs questionnaire to agree RI priorities for the fund.	October 2024	Initial stages of development
Workshop 3 – Fund “Health Check” Session	A session to assess the RI credentials of the current portfolio including advice on suggested ESG KPIs and engagement framework.	January 2025	Initial stages of development
Drafting of RI Policy	Officers, with the support of advisors to draft RI policy based on output from workshops	February 2025	Initial stages of development
Approval of RI Policy	PCB to approve RI policy including an action plan to achieve the identified goals and targets	March 2025	Initial stages of development

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and climate change

8.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

8.2. As part of the planned investment strategy review, the Pensions Committee and Board will assess the Pension Fund's responsible investment goals and criteria for investment selection. This includes an approach to managing and monitoring risks related to climate change.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

9.1. There are no financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

9.2. The Assistant Director for Legal and Governance has been consulted on the content of this report. There are no specific legal implications arising from this report. The responsible investment policy must comply with the statutory requirements for what must be included in the Investment Strategy as set out in Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Equalities

9.3. Not applicable.

10. Use of Appendices

10.1. None

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.