

# PENSIONS COMMITTEE

Wednesday 18 September 2019 at 6.30 pm

## MINUTES

PRESENT: Councillor Mary Atkins, Councillor Anna Birley, Councillor Pete Elliott, Councillor Peter Ely and Councillor Iain Simpson (Chair)  
**Co-Opted Members:** Desmond Farry (Pensioner Representative) and Peter Woodward (Trade Union Representative)

APOLOGIES:

ALSO PRESENT:

*Action  
required by*

### 1. **DECLARATION OF PECUNIARY INTERESTS**

There were no declarations of interest.

### 2. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED:** That the minutes of the meeting held on 24 July 2019 were agreed as a correct record and signed.

### 3. **PENSION FUND RISK REGISTER AND KPI'S**

Andrien Meyers, Head of Treasury and Pensions, presented the report and along with Tony English from Mercers answered questions as below:

- Brexit was not deemed a major risk to the fund, as Lambeth was a long term investor, and any implications from a no deal Brexit were likely to only have a short term effect.
- There were 4 amber risks on the risk register (PA9, PA24, PA25 and PA17).
- Risk PA24 related to the McCloud judgement, which would not be discussed at great depth, this was picked up in the tri-ennial valuation 2019 and would be discussed at the next meeting when the valuation results are presented.
- The Pensions Fund's consultants, Mercers, closely monitored managers' Environmental, social and governance (ESG) ratings. This is also on the risk register.
- Officers explained that equity was listed on the funds risk register as part of the overall investment risks to the fund, it was defined as a 'rewarding risk'.

The chair clarified that exposure to risk associated with equity investment was also looked at separately by the actuary and investment consultant, and therefore did not require to be as a specific item on the funds general risk register.

RESOLVED:

1. To note and review the Lambeth Pension Fund Risk Register and the additional actions proposed to mitigate risk.
2. To note that no new amendments were made by the Pensions Committee.

**4. LAMBETH PENSION FUND - UPDATE ON INVESTMENT STRATEGY MONITORING AND LIABILITY DRIVEN INVESTMENT**

Andrien Meyers, Head of Treasury and Pensions, presented the report and noted:

- That by December 2019, the remaining 11% would be implemented into Liability Driven Investment (LDI).
- Hamant Bharadia stated that one of the key reasons for delay in the implementation of these assets was the major restructure, departing of key staff and lack of follow-up between Mercers and Fund officers.
- That Mercer would still support a move to 30% coverage in terms of risk management.

RESOLVED:

1. That the report be noted.

**5. LAMBETH PENSION FUND - INVESTMENT PERFORMANCE REVIEW**

Tony English, Senior Investment Consultant Mercer; and, Andrien Meyers, Head of Treasury and Pensions; introduced the report and advised that:

- The fund had exceeded £1.5b for the first time, and was 100% active, so figures shown were relative.
- Whilst Lambeth did benchmark against the LGPS as a whole and not specifically to against other London Boroughs. A new code of transparency had now been established which should provide this type of information in the future.
- Andrien Meyers went onto explain that an independent body would be set up to compare funds on a wider scale by March 2020, with progress of the independent body to be discussed at the meeting in June 2020.

RESOLVED:

1. That the report, together with the information in the accompanying exempt from disclosure report, be noted.

**6. LAMBETH PENSION FUND - INVESTMENT MANAGERS SUMMARY**

Exclusion of the press and public and summary of part II proceedings.

RESOLVED:

That under section 100A-H of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that, for the item of business summarised below, it was likely that exempt information, as defined by Section 1001 and Schedule 12a of the Local Government Act 1972 and as specified by reference to the appropriate paragraph thereof, would be disclosed to them:

3. Information relating to the financial or business affairs of any particular person including the authority holding that information.

**7. LAMBETH PENSION FUND - UPDATE ON IMPLEMENTATION OF INVESTMENT STRATEGY, AND EMERGING MARKET EQUITY**

During the discussion of this item, the guillotine fell at 8.30pm.

It was MOVED by the Chair, and,

**RESOLVED:**

That in accordance with Standing Order 9.5-9.7, the meeting continue for a further period of up to 30 minutes.

Exclusion of the press and public and summary of part II proceedings.

**RESOLVED:**

That under section 100A-H of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that, for the item of business summarised below, it was likely that exempt information, as defined by Section 1001 and Schedule 12a of the Local Government Act 1972 and as specified by reference to the appropriate paragraph thereof, would be disclosed to them:

3. Information relating to the financial or business affairs of any particular person including the authority holding that information.

CLOSE OF MEETING

The meeting ended at 9.02 pm

CHAIR

Councillor Iain Simpson

Date of Despatch: Thursday 26 September 2019

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