

PENSIONS COMMITTEE MINUTES

Wednesday 7 July 2021 at 6.30 pm
Council Chamber - Lambeth Town Hall, Brixton, London, SW2 1RW.

Members Present: Councillor Mary Atkins, Councillor Anna Birley (Chair), Councillor Pete Elliott and Councillor Iain Simpson

Co-optees Present: Shankar Siva Ananthan

Apologies: Peter Woodward

Also present online: Councillor John Kazantzis

1 Declarations of Pecuniary Interests

There were none.

2 Minutes of the Previous Meeting

The rebalancing policy had not been circulated to members. Members requested this be done and that the timeline for the rebalancing process be circulated.

RESOLVED:

To agree the minutes with the above action.

3 Action Log and Work Programme

Officers apologised that the document on ESG had not been circulated prior to the meeting and agreed to do this afterwards.

RESOLVED:

To note the Action Log and Work Programme for the year.

4 Lambeth Pension Fund - Funding Issues Update

Rob Browning, Head of Treasury and Pensions introduced the actuary from Hymans Robertson to do a presentation. They summarised that:

- The funding level had increased since 2019;

- Covid-19 and longevity had had an effect on the funding level, but the ongoing impact remained unknown;
- They were focussing on embedding climate risk into the advice they would give about pension contributions after the 2022 valuation;
- They would be including the potential impacts of different outcomes from climate policies in the 2022 valuation.

RESOLVED:

That the report, together with the information in the accompanying presentation prepared by the Fund's actuary, be noted.

5 Investment Performance Report - Q1 2021

Rob Browning, Head of Treasury and Pensions, presented the report and stated that:

- A rebalancing exercise would be undertaken to address over and underweight allocations in the fund;
- They would bring a paper about the LDI Fund top-up allocation as it was also still underweight;
- Actuarial valuation would inform de-risking the fund;
- The Pensions team would add a plan with accompanying timeline for delivering the rebalancing strategy on the action log and bring to the next committee meeting;
- The fund had committed to two further funds with Churchill and Permira as agreed at the March Committee meeting; the private debt allocation was still underweight as managers were yet to call up committed capital, but they expected it to rise in the short- to medium-term as capital is called, and;
- The warehousing strategy was ensuring the funds allocated to private debt were achieving a good return in an active mandate.

RESOLVED:

That the report, together with the information in the accompanying performance report, be noted.

6 Business Plan 2021/22

Rob Browning, Head of Treasury and Pensions, presented the report and, in response to questions, clarified that the Council was not yet a signatory to the stewardship code, but that it was aiming to do so. Rob Browning also explained that the stewardship code was a set of principles which asset managers were encouraged to set out compliance with. The deadline for outlining how the Council would adhere to those principles was the end of October, and officers would be sending out the LCIV stewardship report after the meeting as an example of a stewardship report.

RESOLVED:

That the Business Plan for 2021/22 be approved, as appended at Appendix 1.

7 Draft Annual Report 2020/21

Rob Browning, Head of Treasury and Pensions, presented the report, stating that:

- There had been very strong performance for the year overall;
- The Fund's audit was about to begin and should be completed by the end of November, which would not meet the statutory deadlines for the Council's accounts;
- There were some challenges presented for completing the audits as Mazars was still working on NHS audits due to capacity issues, but the team had prepared for expected delays;
- A consultation was underway to make a plan for avoiding late accounts in the future.

RESOLVED:

To note the draft Annual Report as appended and delegate approval of the final audited report and financial statements to the Chair.

8 General Update - July 2021

Rob Browning, Head of Treasury and Pensions, presented the report noting in particular that:

- A new Chair had been elected at the LCIV which would come into effect in September;
- The LCIV's climate change policy, stewardship outcomes report and their TCFD report had been published, and the Pensions team would circulate those after the meeting;
- The actuarial contract with Hymans Robertson had been extended for a further three years;
- A routine retendering exercise would be carried out over the summer for the investment advisory service;
- A list of suggested conferences and events for member training had been put together, and the Pensions team would present a more formal training plan in October.

RESOLVED:

That the report, together with the information in the accompanying papers, be noted.

9 Investment Performance (Manager) Report - Q1 2021

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.

10 LCIV Multi Asset Credit Fund

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.

The meeting ended at 7.40 pm

CHAIR
PENSIONS COMMITTEE
Wednesday 6 October 2021

Date of Despatch: Wednesday 14 July 2021

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