

PENSIONS BOARD MINUTES

Thursday 12 August 2021 at 6.30 pm
Committee Room (B6) - Lambeth Town Hall, Brixton, London, SW2 1RW

Members Present: Councillor Scott Ainslie and Councillor Linda Bray (Chair)

Co-optees Present: Ann Biddle

Apologies: Glenis Williamson

Also present online: Councillor Ibrahim Dogus and Ian Fall

1 Declarations of Pecuniary Interest

There were no declarations of pecuniary interests.

2 Minutes of the Previous Meeting

RESOLVED: That the minutes of the meeting held on 14 April 2021 be approved as an accurate record of the proceedings.

3 Work Programme

RESOLVED: That the work programme be noted.

4 Pension Administration Performance Report - April to June 2021

Linda D'Souza, Head of Payroll and Pensions, introduced the report. It was explained that the performance levels for April to June 2021 had improved overall, with the exception of processing transfers for member benefits. This was a result of heightened vigilance placed on requests for transfers as the DWP had raised concerns over fraud in this area. Linda D'Souza also confirmed that a new Pensioner Representative had been appointed to the Pensions Committee, and asked members to let the Pensions Team know if they wanted to attend any of the training highlighted in the report.

In response to questions from members Linda D'Souza explained that:

- Members were able to access all the training courses mentioned;
- Underpinning was the process by which pension benefits were protected for those members close to retirement at the introduction of the new CARE scheme in 2014;
- Lambeth's carbon footprinting exercise on equities had shown that the authority's measures of carbon intensity and future potential emissions were below the benchmark, and that the team had instructed Mercer to undertake climate scenario testing which

would inform the investment strategy when it was revised next year.

Members were concerned about the length of time it was taking to decarbonise the fund, and wanted to ensure that the team recognised opportunities for avoiding climate risk instead of only mitigating it.

RESOLVED:

That the Pension Administration Service Performance update covering the period April 2021 to June 2021 be noted.

5 Lambeth Pension Fund - Funding Issues Update

Rob Browning, Head of Treasury and Pensions, introduced a representative from Hymans Robertson, the Fund's actuary, who gave a presentation. Officers then responded to questions from members to explain that:

- Data cleansing was an assessment carried out regularly to ensure that members' contributions and payments were made based on the most accurate data;
- A holistic view of the fund was taken to assess the effects of climate change and society's behaviour, and the actuary would be bringing regular updates to the Board as this assessment progressed;
- The actuary advised approximately half of all government pensions schemes in the UK and had shared knowledge of the others, so the approach to climate change as part of the valuation was well informed.

RESOLVED:

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

6 Pension Fund Risk Register

Linda D'Souza, Head of Payroll and Pensions, introduced the report as set out.

RESOLVED:

1. That the Lambeth Pension Fund Risk Register and the additional actions proposed to mitigate risk be reviewed and noted.

7 Business Plan 2021/22

Rob Browning, Head of Treasury and Pensions, introduced the report and in response to questions from members explained that:

- Since the investment strategy, which included detail on the approach to climate change, had been agreed in March 2020, work had been done to put the fund in a better position, and there were actions that could now be moved forward;
- The investment strategy would be refreshed from March 2022 alongside the actuarial valuation, with the climate strategy developing alongside it.

RESOLVED:

That the Business Plan for 2021/22, set out at Appendix 1, be noted.

8 Draft Annual Report and Accounts

Rob Browning, Head of Treasury and Pensions, introduced the report and explained that:

- Lambeth had agreed to sign up to the Stewardship Code, which would be taken to the Pensions Committee in October 2021;
- The Committee had agreed to adopt the recommendations of the Taskforce for Climate-related Financial Disclosures framework, and work was ongoing to collate the required data and start preparing a draft report ahead of likely statutory deadlines in a few years.

RESOLVED:

That the decision made by the Pensions Committee in July 2021 in relation to the Draft Annual Reports and Accounts be noted.

9 Investment Performance Report - Q1 2021

Rob Browning, Head of Treasury and Pensions summarised the report.

RESOLVED:

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

10 Investment Performance (Manager) Report - Q1 2021

RESOLVED:

Unanimously that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act: and (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The meeting ended at 8.13 pm

CHAIR
PENSIONS BOARD
Thursday 21 October 2021

Date of Despatch: Thursday 26 August 2021

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