

PENSIONS COMMITTEE MINUTES

Wednesday 12 January 2022 at 6.30 pm
Committee Room (B6) - Lambeth Town Hall, Birxton, London SW2 1RW

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

Co-optees Present: Shankar Siva Ananthan and Peter Woodward

Apologies: Sheila la Touche

1 Declarations of Pecuniary Interests

There were no declarations of pecuniary interest.

2 Minutes of the Previous Meeting and Action Log and Work Programme

RESOLVED:

That the minutes of the meeting held on 6 October 2021 were agreed as an accurate record of proceedings.

3 Investment Performance Review - Q3 2021

Rob Browning, Head of Treasury and Pensions, presented the report highlighting that the fund had increased in value to £1.89bn. The fund had underperformed slightly during the quarter due to investments in Baillie Gifford global equities and the Invesco UK residential funds falling short of their benchmarks. Rob Browning also mentioned that indirect fossil fuel exposure had decreased to 0.65% of the Fund's assets.

Members welcomed the report and improvements.

RESOLVED

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

4 General Update January 2022

Rob Browning presented the report highlighting the following:

- Using the London Collective Investment Vehicle (LCIV) to manage investments was forecast to save the fund just over £1m in 2021/22;
- The LCIV had announced its target for net zero investments as the year 2040;
- There were no material changes to the final statement of accounts from the external audit of accounts and the final annual report would be published on the Fund's website in due course;
- A number of Local Government Pension Schemes had received a letter from the UN requesting that they divest from indirect funds which supported Israeli settlements in Occupied Palestinian Territories (OPTs), of which Lambeth held £5.5m across six companies.

Rob Browning also reminded members of the committee to complete the skills audit by the end of January 2022.

The Committee requested that the Pensions Team arrange a workshop with Mercer and Hymans regarding the setting of the net zero target date of the Lambeth Pension Fund.

Regarding human rights issues involved with investments, the Committee expressed a wish that broad principles were set in order to avoid investments of this nature. The Committee also requested a copy of the letter from the UN.

The Committee requested that paragraph 2.21 be clarified and updated in the report and sent to members.

The Committee also requested that inefficient use of multiple fund managers should be raised with the LCIV and relayed back to members.

RESOLVED:

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

5 ESG Beliefs - Survey Results

Rob Browning introduced Tony English from Mercer who presented the report and asked members for feedback.

Members requested training that focused on the Social and Governance aspects of ESG investing, as they did not feel as confident about their knowledge in these areas as they did about the Environmental aspects.

The Committee also expressed a desire to engage with other London Boroughs about aligning their responses to cases such as the UN letter regarding OPTs and responsible investing.

It was agreed that Members and officers would have a workshop on the above, the results of which officers would take to managers.

Members also requested that officers run a survey of Fund members to understand their key concerns and ethical considerations in respect of the Fund's investments.

RESOLVED:

1. That the Committee identifies any additional specific ESG training needs that may have come to light as a result of completing this survey and notify officers accordingly so that appropriate training can be planned;
2. That the report, together with the information in the accompany papers, be noted.

6 Investment Performance (Manager) Report - Q3 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.

7 Invesco Presentation - January 2022

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.

8 UK Social and Affordable Housing

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 9 pm

CHAIR
PENSIONS COMMITTEE
Wednesday 30 March 2022

Date of Despatch: Thursday 20 January 2022

Contact for Enquiries: Marianna Ritchie

Tel: 020 7926 8640

E-mail: mritchie@lambeth.gov.uk

Web: www.lambeth.gov.uk