

PENSION BOARD

THURSDAY, 8 OCTOBER 2020 AT 4.00 PM

REMOTE MEETING VIA MICROSOFT TEAMS

The meeting can be watched live at <https://councilmeetings.camden.gov.uk>.

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MEMBERS

Employer Representatives

Councillor Richard Olszewski (Chair) (L)
Steve Worrall

Employee Representatives

Vinothan Sangarapillai
(Vacancy)

L = Labour,

Issued on: Wednesday, 30 September 2020

REMOTE MEETINGS IN CAMDEN

Everyone is welcome to watch public meetings in Camden. Agendas for these meetings are available in advance on the Council's website at www.camden.gov.uk/democracy. The Pension Board does not take deputations from Members of the public.

The Council is allowed to discuss some items in private, although this does not happen often; any such items will be discussed, as far as possible, at the end of the meeting. The live meeting stream will be paused and public speakers will be asked to leave the remote meeting.

Members of the public have a right to take their own recordings of public meetings for reporting purposes. This does not apply to any of the Council's meetings which are private or not open to the public. Laws on public order offences and defamation still apply, and you should exercise your rights with responsibility. Please respect the views of others when reporting a meeting.

You may be asked to stop filming, photographing or recording a meeting if this in some way becomes disruptive to the meeting.

This meeting will be broadcast live via <https://councilmeetings.camden.gov.uk> and will be viewable for six months afterwards at www.camden.gov.uk/webcast.

If you have any views or questions about meetings at Camden Council please call Committee Services on 020 7974 1915.

REMOTE MEETING ETIQUETTE

Participants¹ in remote meetings are asked to adhere to the following guidelines:

Preparing for the meeting

- If you are planning to attend, make sure you have informed the committee officer named on the agenda front sheet, so that a full list of those expected at the meeting can be prepared.
- Ensure you have read the report(s) before the meeting.
- Ensure that you are located in an area where you are unlikely to be disturbed.
- Ensure that your broadband connection is sufficiently stable to join the meeting. If your connection has low bandwidth, you might need to ask others using your broadband connection to disconnect their devices from the broadband for the duration of the meeting. If this does not help, you may wish to try connecting your device to your router using an Ethernet cable.
- Ensure that your background is neutral (a blank wall is best) and that you are dressed appropriately for a meeting held in public.
- Ensure that the camera on the device that you are using is positioned to provide a clear, front-on view of your face. This may involve thinking about lighting in the room you are in (for example, sitting in front of a window may plunge your face into shadow) or putting your webcam, laptop or tablet on top of a couple of books so that you can look into the camera face on.
- Ensure that you are familiar with the functions of the software you are using. The committee officer will be online 15 minutes before the meeting start time to give everyone time to join and deal with any technical challenges, so try to join the meeting at least 5 minutes before the meeting start time to make sure that everything is working.
- Ideally, you should use earphones or a headset to participate in meetings as it reduces the risk of feedback from using your device's external speaker and reduces background noise from your surroundings.

At the meeting

- Join the meeting promptly to avoid unnecessary interruptions.
- Mute your microphone when you are not talking. If you are an officer or a depute, please turn off your video when not speaking in order to reduce bandwidth.
- Only speak when invited to do so by the Chair.
- When speaking for the first time, please state your name.
- Keep comments, questions and other contributions brief and to the point.
- If referring to a specific page on the agenda, mention the page number.
- The 'chat' function must only be used by committee members to indicate a wish to speak, to indicate that they are having a connection issue or to make a request for a formal vote. It is not to be used for conversations and should be used in an appropriate and professional manner at all times.

¹ Participants are defined as members of the committee; other councillors who seek to address the committee; officers advising the committee or presenting reports; any external partners / third-parties invited to address or advise the Committee; and deputees (including any member of the public with speaking rights).

- Once you no longer need to participate in the meeting, please leave the call; you can still watch via the public video stream if you wish. Once the Chair closes the meeting, all remaining participants should leave the call promptly.

Exempt or confidential items

Occasionally, the committee may need to go into closed session to consider information that is confidential or exempt from publication. If this happens, the committee will pass a resolution to that effect, the public feed will be cut and any participant who is not a member of the committee will be asked to leave the meeting. If you are asked to leave the meeting, please end your connection promptly. Any connections that are not ended promptly will be terminated by the committee officer.

ENDS

WEBCASTING NOTICE

This meeting will be broadcast live by the Council on the Council's website via <https://councilmeetings.camden.gov.uk>. The whole of the meeting will be filmed and recorded, except where there are confidential or exempt items, and the footage will be on the website for 6 months. A copy of it will also be retained in accordance with the Council's data retention policy.

If you make a representation to the meeting you will be deemed by the Council to have consented to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

The Council is obliged by law to allow members of the public to take their own recordings and images from this remote meeting. The Council will only seek to prevent this should it be undertaken in a disruptive or otherwise inappropriate manner.

We have a privacy notice that explains our use of webcasting data which you can see via <https://camden.public-i.tv>.

If you have any queries regarding webcasting or the recording of meetings by the public, please contact the webcasting co-ordinator on 020 7974 5653.

PENSION BOARD - 8 OCTOBER 2020

THERE ARE NO PRIVATE REPORTS

PLEASE NOTE THAT PART OF THIS MEETING MAY NOT BE OPEN TO THE PUBLIC AND PRESS BECAUSE IT MAY INVOLVE THE CONSIDERATION OF EXEMPT INFORMATION WITHIN THE MEANING OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972, OR CONFIDENTIAL WITHIN THE MEANING OF SECTION 100(A)(2) OF THE ACT.

AGENDA

Wards

1. GUIDANCE ON REMOTE MEETINGS HELD DURING THE CORONAVIRUS NATIONAL EMERGENCY

To agree the Council's procedure rules for remote meetings.

(Pages 11 -
18)

2. APOLOGIES

3. DECLARATIONS BY MEMBERS OF PECUNIARY, NON-PECUNIARY AND ANY OTHER INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

4. ANNOUNCEMENTS

Broadcast of the meeting

The Chair to announce the following: "In addition to the rights by law that the public and press have to record this meeting, I would like to remind everyone that this meeting is being broadcast live by the Council to the Internet and can be viewed on our website for at least six months after the meeting. After that time, webcasts are archived and can be made available on upon request.

If you have asked to address the meeting, you are deemed to be consenting to being filmed and to the use of those images and sound recordings for webcasting and/or training purposes. If you are addressing the Committee your contribution will be recorded and broadcast."

Any other announcements

- 5. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT**
- 6. TERMS OF REFERENCE** **All Wards**
 To note the Terms of Reference of the Pension Board. (Pages 19 - 20)
- 7. MINUTES**
 To approve the minutes of the meeting held on 10th October 2019. (Pages 21 - 28)
- 8. PENSION BOARD UPDATE REPORT** **All Wards**
 Report of the Executive Director Corporate Services (Pages 29 - 60)
 The Pension Board has responsibility for assisting the Pension Committee in ensuring compliance with the Scheme Regulations, other legislation relating to governance and administration, and the requirements of the Pension Regulator. The Pension Board must also ensure the effective and efficient governance and administration of the scheme. This report summarises the items presented and decisions made at the Pension Committee meetings on 26 November 2019, 3 March 2020, 20 July 2020 and 9 September 2020.
- 9. CLIMATE CHANGE FUNDING IMPACT** **All Wards**
 Report of the Executive Director Corporate Services (Pages 61 - 88)
 This report updated Pension Committee on the analysis of the actuary on the Fund's liabilities and funding level for differing climate change scenarios and demonstrates the significant impact climate change can have on the Fund.
 The Committee noted that the results of the modelling showed that the "green revolution" involving a rapid policy response from Government gave the best result of the three modelled and gave an outcome similar to the results of the triennial valuation. The Committee asked KPMG, the Fund's investment advisor, to look at the results.

- 10. PREPAYMENT OF SECONDARY CONTRIBUTIONS** **All Wards**
- Report of the Executive Director Corporate Services (Pages 89 - 98)
- This report to the Pension Committee followed on from a report in November 2018 and sets out phase two of a proposal from the Council, as the major employer in the Fund, to prepay its secondary contributions early for 2020-2023.
- The Pension Committee agreed that the Council can prepay its secondary contributions on 1 April 2020 (£57.323m). It agreed a further recommendation to delegate authority to the Executive Director Corporate Services in consultation with the Chair of the Pension Committee to determine which asset class to invest these monies into after taking advice from the Investment Consultant, Independent investment adviser and auditors.
- 11. FUND MATURITY** **All Wards**
- Report of the Executive Director Corporate Services (Pages 99 - 110)
- This report to the Pension Committee presented the results of an exercise to estimate the Fund's maturity (the balance between benefits paid and contributions received). When payments exceed receipts the Fund is considered to be mature. The Pension Committee noted the contents of the report.
- 12. INVESTMENT STRATEGY REVIEW** **All Wards**
- Report of the Executive Director Corporate Services (Pages 111 - 216)
- This report presents the results of an investment strategy review by our Investment Consultant, Isio, on the Fund's strategic asset allocation. The Pension Committee agreed:
1. To agree in principle to move to the asset allocation recommended in strategy 1 in the non- equity strategy paper (Appendix A);
 2. To receive a report on implementation of the Long Lease Property allocation (5%) in September evaluating the London CIV's inflation plus sub-fund alongside other options;
 3. To receive a report on how to achieve the increase in inflation linked assets (additional 5%) in November;
 4. To agree in principle equity allocations recommended in the equity strategy paper (Appendix B) which reduces equity exposure from 60% to 50% and sets the active equity proportion within equities to 40%;
 5. To receive a paper in November on how to fill the 30% equity allocation (Appendix B) to a more specific ESG focussed

allocation and consider operational issues in how to trim the active equity managers and implement the strategy

This report has an appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and is not for publication. The appendix has therefore been circulated to Board Members only.

If the Board wishes to discuss the contents of a closed exempt appendix it may pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press from the proceedings for that discussion.

13. RISK REGISTER

All Wards

Report of the Executive Director Corporate Services

(Pages 217 - 250)

This report presented an update to the risk register for the Pension Fund, with an action plan stating how risks will be managed. The Pension Committee agreed the risk register, as attached at Appendix 1 to the report.

14. LONG LEASE PROPERTY

All Wards

Report of the Executive Director Corporate Services

(Pages 251 - 322)

This report presents the report by our Investment Consultant, Isio, on the proposed Long Lease Property (LLP) mandate which was proposed as part of the Investment Strategy Review in July 2020. The Pension Committee agreed:

1. the appointment of the London CIV Inflation plus sub-fund to manage 5% of the Fund's assets (£90m) as set out in paragraph 3.1
2. to fund this mandate by withdrawing assets from Standard Life and Ruffer first and then with cash in hand from the contribution prepayment as detailed in paragraphs 2.9 and 2.10.

This report has an appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and is not for publication. The appendix has therefore been circulated to Board Members only.

If the Board wishes to discuss the contents of a closed exempt appendix it may pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press from the proceedings for that discussion.

15. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

16. LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

Should the Board wish to go into closed session, it will take the following resolution:-

THAT the press and public be excluded from the proceedings of the Pension Board on 8th October 2020 during consideration of Items 12 and 14 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Specifically –

Publicity in respect of Items 12 and 14 would be likely to lead to the disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) by virtue of Category 3 of Schedule 12A of the Local government Act 1972 (as amended). The Proper Officer has considered all the circumstances of the report and is of the view that on balance the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The reasons why the public interest favours withholding the information are that the disclosure of the information is likely to prejudice the commercial interests of the Council and organisations engaged in commercial activities as the information relates to commercial activities that are conducted in a competitive environment.

AGENDA ENDS