

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **PENSION BOARD** held on **WEDNESDAY, 18TH OCTOBER, 2023** at 3.00 pm in Committee Room 2, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE BOARD PRESENT

Councillor Richard Olszewski, Ashleigh Calf, Steve Worrall and Vinothan Sangarapillai.

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Pension Board and any corrections approved at that meeting will be recorded in those minutes.

MINUTES

1. APOLOGIES

There were no apologies, all Members of the Board were present.

2. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA

Councillor Olszewski declared, that in the interest of transparency he was a London Pension Fund Authority (LPFA) Board member and that it was not connected to the work of this Board.

Vinothan Sangarapillai declared that he was an active member of the Camden pension scheme.

3. ANNOUNCEMENTS (IF ANY)

Broadcast of the meeting

The Chair announced that,

“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 twelve months after the meeting. After that time, webcasts are archived and can be made available upon request.

If you are seated in the Committee Room or participating via Teams, you are deemed to be consenting to having your contributions recorded and broadcast, and to the use of those sound recordings and images for webcasting and/or training purposes.”

4. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT

There was no urgent business.

5. MINUTES

RESOLVED –

THAT the minutes of the meeting held on 28th March 2023 be agreed and signed as an accurate record.

6. PENSION BOARD TERMS OF REFERENCE

RESOLVED

THAT the terms of reference for the Pension Board be noted.

7. PENSION COMMITTEE UPDATE REPORT

Consideration was given to a report of the Executive Director Corporate Services that provided a summary of the reports and decisions made at the preceding Pension Committee meetings. The individual reports had been published on the Council website and links had been included in the update report.

The Pension Board commented on the following reports that had been included in the list of reports considered by the Pension Committee: the Quarterly Engagement Report; Investment Strategy Review and the Performance Report.

Comments from the Board during considerations of the reports included:

- What were the implications for the performance of funds given the financial turbulence of the last eighteen months? Would the Pension Committee continue to closely monitor and have oversight of the underperformance of the fund?
- What consultation had there been on the pooling of assets in the investment pools?
- The monitoring of the London Sub Fund/Equity Fund, the scoring criteria and framework and whether there was a need for enhanced monitoring.

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- Had Pension Committee members continued to participate in the training opportunities for their roles on the committee?
- The unusual timing of the Government consultation on investment pooling.

In response to points raised:

- Assurance was given that investment managers would continue to look at market trends in detail and would advise the Pension Committee of any concerns about the market or fund performance. There had been due diligence of the decision making of the London CIV, which would continue to be monitored. It was also explained that in instances where the pooling of investments had not been mandated there was an option for the authority to make investments elsewhere, outside of the pool and that this would provide flexibility for the authority in the investments it wanted to make.
- The Government had published a consultation document on pooling in July that had included asset pooling, levelling up, opportunities in private equity, investment consultancy and investment definitions. It was commented on, that it would be interesting to assess these proposals in the next eighteen months.
- Attendance at training of Pension Committee Members was an area of interest for the pensions regulators and that it was possible to determine which training modules had been completed.

RESOLVED –

THAT the report be noted.

8. RISK REGISTER

Consideration was given to a report of the Executive Director Corporate Services that provided an update to the Pension Fund risk register. The report had included an action plan setting out how risks would be managed, that there had been a reduction in fund risks and how consideration of these risks had helped to enhance and evaluate decision making.

RESOLVED

THAT the report be noted.

9. INVESTMENT STRATEGY REVIEW

Consideration was given to a report of the Executive Director Corporate Services that provided the results of an investment strategy review by our Investment Consultant, Isio, on the Fund's strategic asset allocation. The summary of the review to the Board included:

- An analysis of the risk of inflation,

- An analysis of equity risks,
- The identification of alternative investment strategies and revised investment beliefs as set out in table 3 of the report and as agreed by the Pension Committee.

The Board discussed the recommended approach for rebalancing risks and protecting the security of assets, how the investment beliefs would map across to the Council's priorities, the balance of cash in the investment portfolios and reducing equity allocations.

RESOLVED

THAT the following recommendations agreed by the Pension Committee be noted:

1. The revised Investment Beliefs (Table 3 of the report)
2. To change the target asset allocation to that recommended in the High Impact strategy (Appendix A) by (all percentages are proportions of overall Fund assets):
 - a) reducing the equity allocation by 10% by decreasing assets with the active equity managers, Baillie Gifford and Harris,
 - b) increasing investment in multi-asset credit by 3%
 - c) increasing investment in index-linked gilts by 4%
 - d) reducing investment in commercial property by 4%
 - e) increasing investment in infrastructure by 5%
 - f) adding a new asset allocation in affordable housing of 5%
3. To delegate all matters connected with the implementation of the above changes to the Executive Director Corporate Services, in consultation with the Chair of the Pension Committee.

10. PROPOSED CHANGES TO THE PENSION COMMITTEE TERMS OF REFERENCE

Consideration was given to a report of the Executive Director Corporate Services that set out the proposed minor changes to the wording of the terms of reference to reflect the committee's commitment to environmental, social and governance issues.

RESOLVED

THAT the report and minor changes to the Pension Committee terms of reference be noted.

11. ENGAGEMENT REPORT

Consideration was given to a report of the Executive Director Corporate Services that provided an update on the engagement activity undertaken by the Fund and on its behalf by LAPFF (the Local Authority Pension Fund Forum) since the last Pension Committee meeting. The Pension Board was provided with an explanation of the split voting and how this had been a significantly positive development, after many years of lobbying, that would allow the authority to apply its voting intentions on specific investments instead of voting as part of a pool.

RESOLVED

THAT the report be noted.

12. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no such business.

13. DATE OF NEXT MEETING

It was noted that the next meeting of the Board was scheduled to take place at 3pm on Tuesday 16th April 2024. The Chair commented and it was noted that an alternative date may need to be considered.

The meeting ended at 4.10 pm.

CHAIR

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MINUTES END