

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **PENSION BOARD** held on **TUESDAY, 16TH APRIL, 2024** 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 the Board members 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 18th October 2023 be agreed and signed as an accurate record.

6. PENSION BOARD UPDATE

Consideration was given to a report of the Executive Director of Corporate Services, with regard to the Pension Board’s responsibility to assist the Pension Committee in ensuring compliance with the scheme regulations and the effective, efficient governance and administration of the scheme. The report provided a summary of the items presented to and reports considered by the Pension Committee meetings on 4 December 2023 and 5 March 2024 that included the following:

- **Performance Report**, that presented the performance of the Pension Fund investments up to 30 September 2023.
- **Affordable Housing Allocation**, that set out the Affordable Housing proposition and recommended investment into the London CIV Affordable Housing fund.
- **BHP Class Action**, that presented issues on an Australian based multinational mining company, BHP, which the Fund owned in its equity portfolio. In November 2015 a dam had collapsed, releasing toxic waste that had killed 19 people and catastrophically impacted the surrounding communities and environment. The report had provided detailed consideration to joining a class action against BHP.
- **Engagement Report**, that provided an update on the engagement activity undertaken by the Fund.
- **Employer Register**, gave an update of all the admitted bodies in the Pension Fund and relevant data for the Pension Committee to review in light of their funding positions and scheme status.
- **LCIV Report and fund Activity report**, that provided a quarterly update on developments at the London Collective Investment Vehicle (LCIV) in creating

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sub-funds for the spectrum of asset classes, on-boarding of assets and development of LCIV's staff resource.

- **Business Plan**, that updated the Pension Committee on future business items, training attended and opportunities.
- **Performance Report**, that presented the performance of the Pension Fund investments up to 31 December 2023 and since manager inception.
- **Voting Annual Review**, that reported on the proxy voting carried out on behalf of the Pension Fund in 2023 for all shares directly owned by the Fund.

During consideration of the report the Board discussed the unusual circumstances of the Fund participating in a class action and were of the view that the decision had reinforced the role of corporate governance in holding businesses to account for environmental issues.

The Board noted that some returns had had been lower than expected and that meetings had taken place with partners to discuss approaches to risk management. Individual schemes had not lived up to expectations but overall the Fund had performed well and had exceeded expectations.

RESOLVED

THAT the report be noted.

7. AFFORDABLE HOUSING ALLOCATION

Consideration was given to a report of the Executive Director of Corporate Services that was a further development of the Investment Strategy review that had been agreed by Pension Committee in July 2023 and the affordable housing allocation of 5% (£97m). The report included the Affordable Housing proposition in detail and examined the London CIV sub-fund as an investment option and provided an overview of key characteristics of residential housing market and details a review of the CIV sub fund.

In response to questions from the Board it was noted that there were no tangible implications or direct influence on the investment in housing in Camden.

RESOLVED

THAT the report be noted.

8. INFRASTRUCTURE INVESTMENT

Consideration was given to a report of the Executive Director of Corporate Services on the Investment Strategy review that had been agreed by the Pension Committee in July 2023. The two sub-funds offered by the London CIV, the Infrastructure fund

and the Renewable Infrastructure fund had been appraised, compared to the Fund's investment expectations and considered by the Pension Committee, at its meeting on 5 March 2024.

The report included a detailed briefing from Isio, Camden's investment consultants and the Independent Investment Advisors. The briefing summarised and compared both sub-funds and had recommended that the Infrastructure Fund managed by StepStone was the preferred investment opportunity.

The Part II papers were noted and it was,

RESOLVED

THAT the report be noted.

9. PENSION FUND ANNUAL REPORT 2022-23

Consideration was given to a report of the Executive Director of Corporate Services that summarised the 2022/23 Pension Fund Annual report, and provided an outline of Camden's governance and management of the Local Government Pension Scheme. The report had been considered by the Pension Committee in March 2024.

The report included an update on investment policy and performance for the past year, a review of investment markets, individual managers' performance and details of the Fund's investments and asset allocation. The report did not include the 2022/23 Pension Fund Accounts, which would be audited by Mazars. The auditors would issue an opinion on the accounts included in the Annual Report in due course. The reasons for the audit delay and the national issues affecting accounting statements were also summarised in the report.

In response to questions the Board was informed that there were national issues affecting accounting statements and that these had been summarised in the report. Members also asked for an explanation about why there had been a reduction in the number of pensioners with enhanced benefits (page 53 of the agenda). Had there been a change in the definition of 'enhanced benefits', or had the decrease in numbers been affected by some other reason, such as the rising pension age?

Action By: Nigel Mascarenhas, Head of Treasury and Financial Services

RESOLVED

THAT the report be noted.

10. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no such business.

11. DATE OF NEXT MEETING

RESOLVED -

THAT the following 2024/25 municipal year meeting dates for the Board be noted:

- Tuesday, 15 October 2024 at 3pm
- Tuesday, 25 March 2025 at 3pm

The meeting ended at 4.03 pm.

CHAIR

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MINUTES END