

London Borough of Islington

**Pensions Sub Committee - 5 March 2018**

Non-confidential minutes of the meeting of the Pensions Sub Committee held at Islington Town Hall on 5 March 2018 at 7.30 pm.

**Present:**           **Councillors:**           Richard Greening (Chair), Michael O'Sullivan and Paul Smith, Mouna Hamitouche MBE (substitute)

**Also Present:**           **Councillors:**           Councillor Dave Poyser (Chair of Pensions Board and observer)  
  
Karen Shackleton, Allenbridge  
Nikeeta Kumar and Adam Love, Mercer Limited  
David Bennett (independent member of Pensions Board and observer)

**Councillor Richard Greening in the Chair**

**125**           **APOLOGIES FOR ABSENCE (Item A1)**  
Received from Councillor Andy Hull. Apologies for lateness were received from Councillor Mick O'Sullivan.

**126**           **DECLARATION OF SUBSTITUTES (Item A2)**  
Councillor Mouna Hamitouche declared that she was substituting for Councillor Andy Hull.

**127**           **DECLARATION OF INTERESTS (Item A3)**  
None.

**128**           **MINUTES OF THE PREVIOUS MEETING (Item A4)**

**RESOLVED:**

That the minutes of the meeting held on 21 November 2017 be confirmed as a correct record and the Chair be authorised to sign them.

**129**           **PENSION FUND PERFORMANCE (Item B1)**

**RESOLVED:**

(a) That the performance of the Fund from 1 October to 30 December 2017, as per the BNY Mellon interactive performance report, detailed in the report of the Corporate Director of Resources, be noted.

(b) That the report by Allenbridge Investment Advisers on fund managers' quarterly performance, detailed in Appendix 1 to the report and their presentation, be noted.

(c) That the LGPS Current Issues – January 2018 leaflet, also attached to the report, be noted.

**130**      **LONDON CIV (LCIV) UPDATE (Item B2)**

**RESOLVED:**

(a) That the progress made at the LCIV in launching funds and running of portfolios over the period from October 2017 to February 2018, detailed in the report of the Corporate Director of Resources, be noted.

(b) That LCIV's governance restructure and strategy consultation documents (exempt appendix E1) be noted and that the Head of the Pension Fund and Treasury Management relay the comments of the Sub-Committee on the consultation document (- pages 79 to 82 of exempt appendix E1) to the LCIV.

**131**      **PRESENTATION FROM REPRESENTATIVE FROM LONDON CIV (Item B3)**

Kevin Cullen, the Client Relations Director at London CIV (LCIV), gave a presentation to the Sub-Committee on progress on the LCIV, outlined priorities for 2018 and the future direction for the LCIV.

The following points were noted during discussion:

- The LCIV's priorities for 2018 included the recruitment of key staff, a revised strategic framework, managing regulatory, operational and enterprise risk to acceptable tolerances and building out the operational systems
- The governance review of the LCIV in 2017 highlighted the need to clarify the purpose of the CIV and to establish new governance arrangements
- Consultation was taking place with shareholders on governance arrangements, formalisation of relationship between LCIV and clients and the level of investment discretion granted to the LCIV
- LCIV was looking to recruit an IT specialist to improve communications with clients
- Members questioned why Newton had appeared on LCIV's "watch" list and why LCIV had written to all 33 London boroughs about this, when only 3 had investments in Newton. Islington, in particular, had significant credit with Newton. Mr Cullen said that a decision was made at LCIV to let all boroughs know as they could have invested in Newton, other than through the LCIV. The LCIV's decision on Newton had not been due to global equity.
- The LCIV was hopeful of being able to explore investment in housing association bonds and infrastructure going forward.
- Islington Council had made a public commitment to invest in infrastructure, which required investment from a number of boroughs, but there had not been enough progress.

**132**      **EQUITY PROTECTION IMPLEMENTATION UPDATE (Item B4)**

**RESOLVED:**

(a) That the procurement and implementation schedule for an equity protection strategy, detailed in paragraph 3.5.1 of the report of the Corporate Director of Resources, be noted.

(b) That the presentation from Mercer and their exempt appendix ("Equity protection strategy – implementation") (agenda item E2) be noted.

(c) That quarterly monitoring reports be submitted to the Sub-Committee on the equity protection strategy.

**133**      **FORWARD PLAN 2018/19 (Item B5)**

**RESOLVED:**

That the contents of Appendix A to the report of the Corporate Director of Resources, detailing proposed agenda items for future meetings, be noted.

**134**      **LONDON CIV UPDATE - EXEMPT APPENDIX (Item E1)**

Members discussed the LCIV's exempt questionnaire and responded to each question. Generally, the Sub-Committee expressed a wish to see revisions to the LCIV investment strategy to include infrastructure and housing; changes to the numbers of meetings per year with shareholders and the inclusion of chairs of Pension Boards and trade union representatives; the expansion of the LCIV Board to include two shareholders.

Noted LCIV's proposed strategy for consultation (pages 55 to 78 of the agenda).

**135**      **EQUITY PROTECTION IMPLEMENTATION UPDATE-EXEMPT APPENDIX (Item E2)**

Noted.

**136**      **VOTE OF THANKS**

Councillor O'Sullivan referred to the fact that Councillor Greening would be standing down from the Council in May 2018. On behalf of the Sub-Committee, he proposed a vote of thanks to Councillor Greening, describing his knowledge of pensions issues as "unsurpassed".

**RESOLVED:**

Accordingly.

The meeting ended at 9.25pm.

**CHAIR**