

Pensions Sub Committee - 10 September 2019

Non-confidential minutes of the meeting of the Pensions Sub Committee held at Islington Town Hall, Upper Street, N1 2UD, on 10 September 2019 at 7.30 pm.

Present: Councillors: Paul Convery (Chair), Andy Hull (Vice-Chair) and Michael O'Sullivan

Also Present: Alan Begg (Independent member, Pensions Board), Valerie Easmon-George (Pensions Board)

Councillor Paul Convery in the Chair

82 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor Sue Lukes.

83 DECLARATION OF SUBSTITUTES (Item A2)

None.

84 DECLARATION OF INTERESTS (Item A3)

None.

85 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That, subject to an amendment to minute 73, by the deletion of resolution (d), the minutes of the meeting held on 17 June 2019 be confirmed as an accurate record of the proceedings and the Chair be authorised to sign them.

86 PENSION FUND PERFORMANCE (Item B1)

The Head of Pension Fund and Treasury Management amended her report on submission by the deletion of the prefix "ex" from the left hand column of the table in paragraph 3.3.

RESOLVED:

(a) That the performance of the Fund from 1 April to 30 June 2019, as set out in the BNY Mellon interactive performance report, and detailed in the report of the Interim Corporate Director of Resources, be noted.

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

(c) That the "LGPS Current Issues" for August 2019, set out in Appendix 2 to the report, be noted.

(d) That officers report to the next meeting with proposals for the Hearthstone Fund

87 **PRESENTATION FROM QUINBROOK INFRASTRUCTURE LOW CARBON (Item B2)**

N.B - The content of the presentation was confidential and therefore only non-confidential aspects are recorded below.

Representatives from Quinbrook Infrastructure Partners gave a presentation on the Quinbrook Low Carbon Power Fund financial model and underlying assumptions.

The Fund targeted investments in renewable energy generation, energy storage and gas peaking. The Fund was projected to be fully committed in 2020. As at September 2019, the Fund had circa 600mw of operational onshore wind, 26mw operational solar and 51mw gas peaking. First cash distribution was anticipated in 2020. Investments were across five platforms in the US, Australia and the UK only.

RESOLVED:

That the presentation be noted.

88 **MULTI-ASSET CREDIT AND PRIVATE DEBT BRIEFING - TRAINING PRESENTATION BY MERCER - PLEASE SEE AGENDA ITEM E3 AVAILABLE TO MEMBERS OF THE SUB-COMMITTEE ONLY. (Item B3)**

N.B - The content of the presentation was confidential and therefore only non-confidential aspects are recorded below.

The Sub-Committee received a presentation from Mercer on possible portfolios to support the Fund's funding and investment objectives, including asset classes for Multi-Asset Credit and Private Debt.

89 **LISTED EQUITY PORTFOLIO - UPDATE ON TRANSITION OF ASSETS FROM LCIV ALLIANZ TO LCIV RBC SUSTAINABLE FUND (Item B4)**

RESOLVED:

(a) That the transition process of the units owned from LCIV Allianz to LCIV RBC and the progress on the issue of withholding tax accrued to the Islington Fund, as detailed in the report of the Interim Corporate Director of Resources, be noted.

(b) That the withholding tax accrued final position and estimated receipt period, also as detailed in the report, be noted.

(c) That the Interim Corporate Director of Resources, in consultation with the Director of Law and Governance, be authorised to negotiate and agree with the LCIV fair recourse in dealing with the withholding tax accrued.

90 **ACTUARIAL VALUATION TIMELINE 2019 (Item B5)**

RESOLVED:

That the Actuarial review timetable of the events and processes before 31 March 2020, detailed in paragraph 3.1.2 of the report of the Interim Corporate Director of Resources, be noted.

91 **ANNUAL REVIEW AND PROGRESS ON THE 2017-2021 PENSION BUSINESS PLAN (Item B6)**

Members considered that more engagement with companies was needed. To this end, officers were asked to liaise with ShareAction to find out about opportunities for engagement by councillors.

RESOLVED:

That the business plan objectives for the next four years, detailed in paragraph 3.4 of the report of the Interim Corporate Director of Resources, be approved.

92 **THE PENSION REGULATOR'S DRAFT GUIDES TO TRUSTEES ON SETTING OBJECTIVES FOR PROVIDERS OF INVESTMENT CONSULTANCY (Item B7)**

Members suggested that it would be helpful to have a clear picture on key matters for them to consider when setting objectives for their various advisers. They also thought it would be useful to hear from the Sub-Committee's current advisers.

RESOLVED:

- (a) That, in order to define the objectives members wish to set for investment consultants, consideration of this item be deferred to the next meeting.
- (b) That the Sub-Committee's current advisers be invited to submit their observations to the Sub-Committee.

93 **LONDON CIV UPDATE (Item B8)**

Members of the Sub-Committee suggested that there should be more discussion with LCIV on this matter and asked officers to discuss with the LCIV the views of the Sub-Committee that the LGPS should not be part of the remuneration package to higher salary earners.

RESOLVED:

- (a) That the letter from the LCIV on the remuneration policy review, attached as exempt appendix E2, be noted.
- (b) That the progress and news to August 2019 in the news briefing "Collective Voice", also attached as exempt appendix E2, be noted.

94 **FORWARD PLAN 2019/21 (Item B9)**

RESOLVED:

That the Appendix to the report of the Interim Corporate Director of Resources, detailing agenda items and training topics for forthcoming meetings, be approved.

95 **LISTED EQUITY PORTFOLIO - UPDATE ON TRANSITION OF ASSETS FROM LCIV ALLIANZ TO LCIV RBC SUSTAINABLE FUND - EXEMPT APPENDIX (Item E1)**

RESOLVED:

That the contents of the exempt appendix be noted.

96 **THE LONDON CIV UPDATE - EXEMPT APPENDIX (Item E2)**

RESOLVED:

That the contents of the exempt appendix be noted.

97 **MULTI-ASSET CREDIT AND PRIVATE DEBT BRIEFING - TRAINING PRESENTATION BY MERCER - EXEMPT APPENDIX (Item E3)**

RESOLVED:

That the contents of the exempt appendix be noted.

The meeting ended at 9.05 pm

CHAIR