

London Borough of Islington

Pensions Sub Committee - 23 March 2021

Non-confidential minutes of the meeting of the Pensions Sub Committee held virtually, via Zoom, on 23 March 2021 at 7.00 pm.

Present: Councillors: Paul Convery (Chair), Satnam Gill (Vice-Chair) and Dave Poyser

Alan Begg, Valerie Easmon-Geroge and Maggie Elliott
(Pensions Board)
Tony English - Mercer
Karen Shackleton – MJHudson Allenbridge

Councillor Paul Convery in the Chair

171 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor O'Sullivan.

172 DECLARATION OF SUBSTITUTES (Item A2)

None.

173 DECLARATION OF INTERESTS (Item A3)

Councillor Convery declared an interest in items on the agenda as a member of the Pension Fund.

174 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 8 December 2020 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

175 PENSION FUND PERFORMANCE - OCTOBER TO DECEMBER 202 (Item B1)

RESOLVED:

(a) That the performance of the Fund from 1 October to 31 December 2020, as per the BNY Mellon interactive performance report and detailed in the report of the Corporate Director of Resources, be noted.

(b) That the presentation by MJ Hudsons Allenbridge, on fund managers' quarterly performance, attached as Appendix 1 to the report, be noted.

(c) That the update on BMO (emerging and frontier manager), attached as exempt appendix 2 to the report, be noted.

(d) That the January 2021 "LGPS Current Issues", attached as Appendix B to the report, be noted.

176 DECARBONISATION POLICY - UPDATE AND ACTION PLAN AFTER NET ZERO CARBON TRANSITION TRAINING (Item B2)

The Chair was pleased to report that, together with a number of other Pension and Investment Funds, Islington was part of a resolution to HSBC urging the Bank to cut its exposure to fossil fuels, starting with coal. HSBC had agreed to table a shareholder vote at their forthcoming AGM seeking the phasing out of the financing of coal by 2040.

Members expressed their continued interest in achieving as many targets as possible to reach net zero carbon by 2030. Although there were limited products available on the market at the current time to assist in achieving this, it was noted that Fund Managers were looking at options to be available to Pension Funds in the near future.

RESOLVED:

- (a) That the action agreed at the training session in February 2021 for the Sub-Committee to receive a report in June 2021 to review the current decarbonisation policy and to reset targets the Fund can achieve in the medium to long term be noted.
- (b) That a report be submitted to the Sub-Committee on more evolved and progressive responsible indices now available in the market for options on the Fund's passive equities.
- (c) That the draft recommendations at the training session listed in paragraph 3.3.2 of the report of the Corporate Director of Resources be noted and a briefing be prepared on considerations for the pension investments to transition to Net Zero Carbon transition to <2°C.

177 INVESTMENT STRATEGY REVIEW UPDATE - PRIVATE DEBT PROCUREMENT OPTIONS (Item B3)

In considering the options for Private Debt procurement, members agreed that the criteria they would apply would be which other funds were investing with the individual managers, how much to commit and fee differentials.

RESOLVED:

- (a) That the current options for Private Debt procurement, as detailed in table 1 of the report of the Corporate Director of Resources, be noted.
- (b) That officers be authorised to continue to explore the options and conclude by June 2021 which option(s) best delivers value for money to proceed to procure suitable managers.
- (c) That a progress report be submitted to the next meeting in June 2021.

178 PENSION FUND FORWARD PLAN (Item B4)

RESOLVED:

That the appendix to the report of the Corporate Director of Resources, detailing agenda items for forthcoming meetings, be approved.

179 LONDON CIV UPDATE (Item B5)

RESOLVED:

(a) That the report and accompanying appendices of the Corporate Director of Resources, informing the Sub-Committee of the progress made at the London CIV in launching funds, running of portfolios, reviewing governance and investment structure, over the period December 2020 to February 2021, be noted.

(b) That the progress and activities presented at the February business update session (exempt Appendix1) and news briefing "Collective Voice-February" attached as exempt Appendix 1A, be noted.

180 EXCLUSION OF PRESS AND PUBLIC (Item)

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

<u>Agenda item E1</u>	<u>Title</u>	<u>Reasons for exemption</u>
	London CIV update - exempt appendices	<u>Category 3 –</u> Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<u>Agenda item E2</u>	Pension Fund performance - October to December 2020 – exempt appendix	ditto

- 181 **LONDON CIV UPDATE - EXEMPT APPENDICES (Item E1)**
- 182 **PENSIONS FUND PERFORMANCE - EXEMPT APPENDIX (Item E2)**
Noted.

The meeting ended at 8.15 pm

CHAIR