

London Borough of Islington

Pensions Sub-Committee - 14 March 2022

Non-confidential minutes of the meeting of the Pensions Sub-Committee held in the Council Chamber, Islington Town Hall, Upper Street, N1 2UD on 14 March 2022 at 7.00 pm.

Present: Councillors: Paul Convery (Chair) and Satnam Gill OBE (Vice-Chair)

Also Present: Alan Begg, Valerie Easmon-George and Councillor Dave Poyser (Pensions Board)

Tony English and Alex Goddard - Mercer
Karen Shackleton – MJ Hudson

Councillor Paul Convery in the Chair

223 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillors Mick Gilgunn and Mick O’Sullivan.

224 DECLARATION OF SUBSTITUTES (Item A2)

None.

225 DECLARATION OF INTERESTS (Item A3)

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

226 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 23 November 2021 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

227 PENSION FUND PERFORMANCE (Item B1)

A suggestion was made that it would be helpful if the chart on fund managers’ performance included the financial allocation for each asset allocation and the figure on the current value of the Fund for the future.

RESOLVED:

(a) That the performance of the Fund from 1 October to 31 December 2021, 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 Hudson on fund managers' quarterly performance, attached as Appendix 1 to the report, be noted.

(c) That the "LGPS Current Issues – February 2022", attached as Appendix 2 to the report, be noted.

228 LONDON CIV UPDATE (Item B2)

RESOLVED:

That the progress and activities presented at the February 2022 business update session of the London CIV (exempt Appendix 1) and minutes of the 27 January 2022 shareholders' AGM, attached as exempt Appendix 1A to the report of the Corporate Director of Resources, be noted.

229 FORWARD PLAN (Item B3)

The Pension Fund Manager reported that a training session on the triennial review would take place in September 2022, both for members of the Board and the Sub-Committee.

RESOLVED:

(a) That Appendix A to the report of the Corporate Director of Resources, detailing agenda items for forthcoming meetings, be approved.

(b) That Appendix B to the report, setting out the proposed timetable for the 2022 Triennial Valuation, be noted.

230 THIRD GENERATION INDICES -PASSIVE EQUITIES (Item B4)

RESOLVED:

(a) That the Fund's current belief and future objectives to transition to Net Zero Carbon by 2050 and the achievement of the short to medium term targets, as detailed in the report of the Corporate Director of Resources, be noted and confirmed.

(b) That the preferred provider be informed that the preference is for an emerging markets equivalent to PAB-aligned and that they be asked to reconsider fees.

(c) That the comparative data on PAB indices and the LCIV PEPPA fund, detailed in in exempt Appendix1 to the report, be noted.

(d) That the summary report prepared by Mercer on the preferred third generation climate transition index provider and index, attached as exempt Appendix 2 to the report, be agreed.

(e) That the pathway to achieving the short to medium term targets of transition to Net Zero Carbon by 2050 be confirmed.

(f) That the Paris Aligned Benchmark Index be approved.

(g) That a progress report on implementation be submitted to the June 2022 Sub-Committee.

231 **RUSSIAN/UKRAINE IMPLICATIONS (Item B5)**

RESOLVED:

(a) That exempt appendix 1 to the report of the Corporate Director of Resources, comprising investment managers' responses to date on known direct holdings in Russia and Ukraine, the impact and actions taken and considerations to mitigate investment risk and uncertainty to funding levels, be noted.

(b) That the action checklist set out in paragraph 3.7 of the report be agreed.

(c) That further due diligence be carried out to ensure that there were no links with named sanctioned individuals.

232 **LONDON CIV UPDATE - EXEMPT APPENDICES (Item E1)**

Noted.

233 **THIRD GENERATION INDICES -PASSIVE EQUITIES - EXEMPT APPENDIX (Item E2)**

Noted.

234 **RUSSIAN/UKRAINE IMPLICATIONS - EXEMPT APPENDIX (Item E3)**

Noted.

The meeting ended at 8.10 pm

CHAIR