

London Borough of Islington

Pensions Sub-Committee - 6 March 2023

Non-confidential minutes of the meeting of the Pensions Sub-Committee held in Committee Room 1, Town Hall, Upper Street, N1 2UD on 6 March 2023 at 7.00 pm.

Present: Councillors: Paul Convery (Chair), Diarmaid Ward (Vice-Chair), Satnam Gill and Michael O'Sullivan

Pension Board observers: Alan Begg, Councillor David Poyser, Maggie Elliott, Karen Shackleton – MJ Hudson
Tony English and Alex Goddard – Mercer

Councillor Paul Convery in the Chair

279 APOLOGIES FOR ABSENCE (Item A1)

None.

280 DECLARATION OF SUBSTITUTES (Item A2)

None.

281 DECLARATION OF INTERESTS (Item A3)

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

282 MINUTES OF THE PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 5 December 2022 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

283 PENSION FUND PERFORMANCE - OCTOBER TO DECEMBER 2022 (Item B1)

In response to a query about the performance of technology stocks on the CIV platform, Karen Shackleton undertook to check with fund managers on their holding of this type of stock.

The Chair queried the performance from Pantheon, the Fund's Infrastructure manager, at almost -7% for the last quarter, whereas yearly performance was indicated at 27%? Karen Shackleton undertook to look into this and to report back. She also undertook to speak to LCIV about the position on the LCIV Global Equity

Fund (Newton), where Islington owned 54.78% of the sub-fund, should other investors leave the fund and costs associated with exit. Members considered the possibility of considering funds within the CIV in the future.

RESOLVED:

(a) That the performance of the Fund from 1 July to 30 September 2022, 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) To note the LCIV prepared climate exposure report for their 2 active equity portfolios attached as Appendix 2 to the report.

(d) To note for information the Mercer "Current LGPS Issues February 2023" at Appendix 3 to the report.

284 INVESTMENT STRATEGY REVIEW (Item B2)

RESOLVED:

(a) To note the presentation from Mercer attached as Exempt Appendix 1 to the report of the Corporate Director of Resources.

(b) To note the strategy review and risk and return analysis.

(c) To agree that further consideration be given to the strategic allocation, congruent with risk and return, that was affordable and sustainable.

(d) That officers work with Mercers on the formulation of a portfolio strawman 3 with a goal to increase illiquidity at a lower risk profile compared to strawman 2, to be considered at a future meeting.

285 DRAFT FUNDING STRATEGY STATEMENT AND CONSULTATION RESULTS (Item B3)

The Sub-Committee noted that the Pensions Board, which had met immediately prior to this meeting, had postponed making a decision on this item pending further information, particularly on responses from employers.

RESOLVED:

(a) That the draft Funding Strategy Statement attached as Appendix 1 to the report of the Corporate Director of Resources and the employer comments received from the consultation exercise, attached as Appendix 2 to the report, be noted.

(b) That the Section 151 Officer and Fund Actuary be authorised to finalise any agreed amendments and regulatory changes.

(c) That the Section 151 Officer and Fund Actuary be authorised to publish the final Funding Strategy Statement as part of the Actuarial Valuation Report.

286 LONDON CIV UPDATE (Item B4)

RESOLVED:

(a) That the progress made at the London CIV in launching funds, running of portfolios, reviewing governance and investment structure, over the period from November 2022 to January 2023, as detailed in the report of the Corporate Director of Resources, be noted.

(b) That the January 2023 business update session of the London CIV, detailed in exempt Appendix 1 to the report, be noted

287 PENSION FUND FORWARD WORK PROGRAMME (Item B5)

RESOLVED:

That, subject to the report on "Draft Pension Annual report" being brought forward from the meeting of the Sub-Committee scheduled for 21 November to 26 September 2023, with the Annual General Meeting scheduled for October 2023, Appendix A attached to the report of the Corporate Director of Resources, comprising the forward plan of business for the Sub-Committee, be noted

288 INVESTMENT STRATEGY REVIEW - EXEMPT APPENDIX (Item E1)

Noted.

289 LONDON CIV UPDATE - EXEMPT APPENDIX (Item E2)

Noted.

The meeting ended at 8.45 pm

CHAIR