

London Borough of Islington

DRAFT

Pensions Sub-Committee – 13 March 2014

Minutes of the meeting of the Pensions Sub-Committee held at the Town Hall, Upper Street, N1 2UD on 13 March 2014 at 7.30pm.

Present: **Councillors:** George Allan, Richard Greening, Andy Hull and Michael O’Sullivan

Also present: Nick Sykes, Catherine Bermingham and Ian Kirk, Mercer Investment Consulting
Brian Booker – retired pensioners’ representative
Karen Shackleton, AllenbridgeEPIC Investment Advisers
Vaughan West, GMB

Councillor Richard Greening in the chair

175 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor Gilbert.

176 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

Councillor Allan substituted for Councillor Gilbert.

177 DECLARATION OF INTERESTS (Item A3)

None.

178 MINUTES OF THE MEETING HELD ON 28 November 2013 (Item A4)

RESOLVED:

That the minutes of the Sub-Committee meeting held on 28 November 2013 be confirmed as a correct record and the Chair be authorised to sign them.

Matter arising from the minutes

Minute 169 – Responsible investments – disinvestment from pay day lenders

It was noted that the matter of the Fund’s investment in pay day lenders had been further discussed with Pantheon Ventures. However, it appeared that there was no suitable way of divesting that part of the holding. There would be a report updating the Sub-Committee on the matter in June 2014, followed by a report in September, seeking a decision.

179 PENSION ADMINISTRATION PERFORMANCE – 1 NOVEMBER 2013 TO 31 JANUARY 2014 (Item B1)

RESOLVED:

(a) That the performance against key performance indicators for the period 1 November 2013 to 31 January 2014, including statistics regarding the internal dispute resolution procedure, complaints and compliments, as detailed in the report of the Corporate Director of Finance and Resources, be noted.

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(b) That the information for staff on the new pension scheme, the publicity being undertaken and the invitations to non-members, detailed in Appendix A to the report, be noted.

180 PENSION FUND PERFORMANCE – 1 OCTOBER TO 31 DECEMBER 2013 (Item B2)

RESOLVED:

(a) That the performance of the Fund from 1 October to 31 December 2013, detailed in the report of the Corporate Director of Finance and Resources, be noted.

(b) That the quarterly WM Company report on the overall performance, updated market value and asset allocation of the Fund, as at 31 December 2013, detailed in Annex A to the report, be noted.

(c) That the report by AllenbridgeEPIC Investment Advisers on fund managers' quarterly performance, detailed in Appendix 2 to the report and their presentation, be noted.

181 FUNDING STRATEGY STATEMENT (Item B3)

RESOLVED:

(a) That the employer comments received from the consultation exercise attached at Appendix 1 of the report be noted.

(b) That the draft Funding Strategy Statement attached at Appendix 2 of the report be agreed.

(c) That the Corporate Director of Finance and Resources publish the agreed Funding Strategy Statement on the Council's website by 1 April 2014.

(d) That officers follow-up a response from Balfour Beatty, as the company may still be in existence.

182 LONDON LGPS COLLECTIVE INVESTMENT VEHICLE (ITEM B5)

The Sub-Committee noted that the responsibility for the establishment and oversight of the proposed Authorised Contractual Scheme Operator of the Common Investment Vehicle for London pension funds was the Executive's.

RESOLVED:

That the proposal in the report of the Corporate Director of Finance and Resources to create a Collective Investment Vehicle for London pension funds be endorsed.

183 PENSIONS SUB-COMMITTEE 2014-15 – FORWARD PLAN (Item B6)

RESOLVED:

That the following additions to the Forward Plan of business for meetings of the Sub-Committee for 2014/15, detailed in Appendix A to the report of the Corporate Director of Finance and Resources, be noted:

- 30 June 2014 – update on pay day lender holding
- 16 September 2014 – (a) Disinvestment of pay day lender holding and (b) Responsible investment

184 EXCLUSION OF THE PRESS AND PUBLIC

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:

Agenda Item	Title	Reason for Exemption
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E1	Mercer – Investment Strategy Asset Allocation	<u>Category 3</u> – Information relating to the financial or business affairs of any particular person (including the authority holding that information).
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185 INVESTMENT STRATEGY ASSET ALLOCATION – MERCER PRESENTATION (Item E1)

Nick Sykes gave a presentation and introduced his report on the Fund's investment strategy, detailing information on alternative asset types, expected returns and associated risk. Members discussed the options available.

RESOLVED:

- (a) That the Fund's equity allocation be reduced by 10% to invest in a diversified growth fund.
- (b) That 10% of the total asset be allocated into multi-asset credit and that the liability matching concept of gilts be further considered at the next meeting.
- (c) That agreement in principle be given to a further reduction of 10% in the Fund's equity allocation to invest in private debt or infrastructure.

The meeting closed at 9.20pm.

CHAIR