



Pension Investment Committee

General Update

Date: 16 November 2023

Key decision: No.

Class: Part 1.

Ward(s) affected: None specifically.

Outline:

This paper provides the Committee with an update on several general pension fund related matters in the last quarterly period.

Recommendation:

The Committee are asked to:

1. review and note the contents of the report;
2. review the risk register and suggest any amendments as necessary.

Timeline of engagement and decision-making

This report is one of the regular quarterly reports prepared for the Pensions Investment Committee to enable them to fulfil their terms of reference.

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1. Summary

- 1.1. This report sets out a number of general matters to ensure the Committee are appraised on the work ongoing in respect of the Fund.

2. Recommendations

- 2.1. The Committee are asked to:
- 2.2. review and note the contents of the report;
- 2.3. review the risk register and suggest any amendments as necessary.

3. Policy Context

- 3.1. The overriding policy context for the Pension Investment Committee are the pension regulations and Members fiduciary duty to the beneficiaries of the Fund.

4. Background

- 4.1. This briefing will provide a summary of current topics relating to the Pension Fund and pensions in general, and address standing items on the agenda, following on from actions requested in previous meetings.

5. Risk Register

- 5.1. The Committee last reviewed the Risk Register in June 2023. The risk register is attached at Appendix 1 (with 'Tracked Changes'); its design is based on a template provided by the Pensions Regulator. Risk ratings fall into four categories:

RISK CATEGORY	HOW THE RISK SHOULD BE MANAGED	NUMBER OF RISKS
Red (16-25)	Immediate action required, senior management involved	0
Amber/Red (10-15)	Senior management attention needed and management responsibility specified	7
Amber/Green (5-9)	Manage by specific monitoring or response procedures	21
Green (1-4)	Manage by routine procedures, unlikely to need specific or significant application of resources	8

- 5.2. There has been one risk for which the score has improved and two have not improved and a total of nine which have reached their target score. There are seven amber, with the remaining twenty nine being either light green or green.

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- 5.3. Existing controls have been improved in different areas and risk mitigating processes are outlined in the register, together with previous scores and risk owners.
- 5.4. Officers will continue to monitor and update the risk register as necessary, informing the Committee of any changes which may negatively impact the Fund or present an immediate risk.

6. Pension Board

- 6.1. The Pension Board has a full membership of two employee representatives and two employers' representatives and an independent Chair. A clerk has also been appointed to support the board.
- 6.2. The Pension Board held a meeting on 25 September 2023 and has quarterly meeting dates booked for 2023/24. The date of the next meeting is 15 December 2023.
- 6.3. LCIV representatives attended the September meeting. Kristina Ingate, Director of Governance and Company Secretary gave a presentation on Governance, Risk Management and Internal Controls.
- 6.4. The Chair of the Pension Board asked some probing questions about LCIV's governance and how it can provide assurance to shareholders.
- 6.5. LCIV said they would provide more information following the meeting so that it can continue with the dialog to assist them in the development of their governance.
- 6.6. In September one member of the board resigned and Officers wrote the all the Admitted and Scheduled bodies to see if anyone would like to join the Pension Board.
- 6.7. A new member Mark Booker, Pensions Manager at Change Live Grow, joined the Pension Board in November 2023.
- 6.8. The Chair has outlined his expectations of the board and it has agreed a work programme for the year which will be reviewed on a quarterly basis.
- 6.9. The board members have agreed a training programme, including the Pension Regulator's Toolkit of online training and other training sessions that have been arranged for PIC.
- 6.10. The workplan and the initial priority actions have been programmed in the context of the AON review from 2019 to ensure that those areas of weakness are addressed in addition to the expected cycle of work for the Board.
- 6.11. The minutes from the 25 September 2023 Pension Board meeting has been appended to this report as Appendix 2 for the Committee's information.

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7. Training

- 7.1. A selection of conferences, workshops and seminars continue to be shared with Members. See Appendix 3. Should members find any of the sessions of interest or have identified other training they would like to attend, please can they keep the Governance Team informed. Members' training records are published annually in the Annual Report, to be published by 1st December each year.
- 7.2. Officers are working with Hyman Robertson to plan the future training sessions. The first training session will be on Natural Capital and there are various proposals to set a date for the Natural Capital training. Members will be circulated with the details once a date has been fixed.
- 7.3. Officers continue to recommend the excellent training tools available via the Pensions Regulator at: <http://www.thepensionsregulator.gov.uk/public-serviceschemes/learn-about-managing-public-service-schemes.aspx>. However, please note that the focus of the toolkit is on the administration and governance of the scheme and not on fund investment. Other useful sources include the free to attend SPS conferences at www.spsconferences.com or specific training can be arranged on selected topics as needed.
- 7.4. The Meet the Manager session for today will be with Storebrand Global and Emerging Markets. Storebrand will provide a presentation on their plans for carbon reduction investments and how they measure and report these changes especially in reference to TCFD reporting.
- 7.5. The Meet the Manager session for the February meeting will be with Harbourvest Investments. Harbourvest will provide a presentation on their overseas equity venture capital market and we will ask them to provide information on how they will meet the carbon reduction targets.

8. Financial implications

- 8.1. There are no financial implications arising directly from this report.

9. Legal implications

- 9.1. The Pension Regulations require that the Council has regard to the proper advice of its expert independent advisors in relation to decisions affecting the Pension Fund. They must also have regard to the separate advice of the Chief Financial Officer who has statutory responsibility to ensure the proper administration of the Council's financial affairs, including the administration of the Pension Fund.

10. Equalities implications

- 10.1. There are no direct equalities implications arising from this report.

11. Climate change and environmental implications

- 11.1. There are no direct climate or environmental implications arising from this report.

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12. Crime and disorder implications

12.1. There are no direct crime and disorder implications arising from this report.

13. Health and wellbeing implications

13.1. There are no direct health and wellbeing implications arising from this report.

14. Background papers

14.1. Appendix 1 – Risk Register

14.2. Appendix 2 – Pension Board minutes

14.3. Appendix 3 – List of training and events

15. Report author and contact

15.1. For more information please contact Katharine Nidd, Interim Director of Finance, 4th Floor Laurence House, 020 8314 6651, Katharine.Nidd@lewisham.gov.uk

15.2. Financial implications: Tony McGuiness Interim Head of Strategic Finance, Planning and Commercial

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