



AGENDA

PENSIONS INVESTMENT COMMITTEE

Date: TUESDAY, 6 SEPTEMBER 2022 at 7.00 pm

**Committee Room 1
Civic Suite
Catford Road
London SE6 4RU**

**Enquiries to: Claudette Minott
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COUNCILLORS

Councillor Sian Eiles (Chair)
Councillor Yemisi Anifowose
Councillor Mark Jackson
Councillor Chris Best
Councillor Mark Ingleby
Councillor Louise Krupski
Councillor John Muldoon
Councillor James Royston

Observers

Independent

Officers

David Austin, Director of Corporate
Services Finance

Members are summoned to attend this meeting

**Kim Wright
Chief Executive
Lewisham Town Hall
Catford
London SE6 4RU
Date: Thursday, 25 August 2022**



INVESTOR IN PEOPLE

The public are welcome to attend our committee meetings, however occasionally committees may have to consider some business in private. Copies of reports can be made available in additional formats on request.

ORDER OF BUSINESS – PART 1 AGENDA

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Agenda Item 1

PENSIONS INVESTMENT COMMITTEE		
Report Title	MINUTES	
Key Decision	No	Item No. 2
Ward	All	
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 6 September 2022

Recommendation

That the Minutes of the meeting of the Committee, held on 14 June 2022 be confirmed and signed.

MINUTES OF THE PENSIONS INVESTMENT COMMITTEE

Tuesday 14 June 2022 at 7.05 pm

Members Present:

In Person: Councillor Eiles (Chair), Councillor Ingleby (Vice-Chair),
Councillor Anifowose, Councillor Best, Councillor Jackson, Councillor Krupski,
Councillor Muldoon

Virtually: Councillor Royston

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken, or to satisfy the requirements of s85 Local Government Act 1972.

Also present: Nick Jellema (Hymans Robertson (Hymans)), Ross MacLeod (Hymans Robertson), David Austin (Director of Finance (DF)), Katharine Nidd (Head of Financial Strategy, Planning and Commercial (HFSPC)), Chris Flower (Treasury and Investments Manager), Claudette Minott (Clerk)

Apologies: N/A

1. Election of Chair and Vice-Chair

Councillor Sian Eiles was: nominated, elected and confirmed as Chair of the Pensions Investment Committee for the 2022-2023 municipal year.

Council Mark Ingleby was: nominated, elected and confirmed as Vice-Chair of the Pensions Investment Committee for the 2022-2023 municipal year.

2. Declarations of Interest

None

3. Minutes

RESOLVED that the minutes of the meeting of the Pensions Investment Committee held on 10 February 2022 be agreed.

4. Exclusion of the Press and Public

RESOLVED that under that under Section 100(A) (4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of this item because it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information:-

5. Quarterly investment performance report
6. Investment Strategy Statement
7. Risk Register

8. Quarterly Update

The Committee were asked to review and note the contents of the report.

RESOLVED that the report be noted.

1.1. 5. Quarterly investment performance report

The HFSPC provided Members with an introduction to the report. Hymans then gave a presentation of the report to the Committee.

The report detailed the quarterly performance of the Pension Fund investment portfolio. The report provided:

- The value of the Fund's assets and movements over the quarter to 31 March 2022;
- A performance summary of each manager over the quarter; and
- An assessment of the fund managers and any recommendations for the next quarter.

Members asked questions that were answered primarily by Hymans. Some of these questions included:

- A fund managers performance against their own benchmark;
- Currency exposure changes in relation to the investment in LCIV PEPPA and Storebrand Global ESG Plus funds (it was noted this had resulted in an increase in US dollar exposure, given the weighting of these funds to US equities)

The Committee were asked to note the contents of the report.

RESOLVED that the report be noted.

6. Investment Strategy Statement

The report was presented by HFSPC. Members were advised that no background or statutory changes were made to the strategy.

The report set out the changes to the Fund's investment strategy as agreed in February 2018, and updated in 2020 following the triennial valuation in 2019, and the issues to be considered as part of its implementation. Members requested that a track change version of the document was made available such that changes could be easily identified from the currently in-force version.

Recommendation:

The Committee were asked to:

1. Approve the Investment Strategy Statement ("ISS") for the London Borough of Lewisham Pension Fund ("the Fund").

Questions were asked by Members that were answered by Hymans.

Members agreed the recommendations.

The Committee were asked to note the contents of the report.

RESOLVED that the report be noted.

7. Risk Register

The HFSPC presented the report.

The report formed part of the regular review and monitoring of risks of the Pension Fund and considered the changes to the Fund's risk register for the financial year 2022/23.

Members asked a number of questions on a variety of the risks contained with the report (e.g. funding risk, concentration risk) which were addressed via Officers and Hymans Robertson.

Recommendation:

1. Members were asked to review and note the risk register and suggest any amendments as necessary.

Members asked questions that were answered by Hymans and the HFSPC.

The Committee were asked to note the contents of the report.

RESOLVED that the report be noted.

8. Quarterly Update

The paper was presented by the HFSPC and provided the Committee with an update on several general pension related matters, from the last quarterly period.

Recommendation:

The Committee were asked to:

- review and note the contents of the report;
- note the agreement of the extension of the HarbourVest International Private Equity Partners V-Partnership Fund L.P by a further year to 30 June 2023; and
- agree the appointment of the Chair as the LCIV Shareholder Representative and the Vice Chair as the alternative.

Members asked questions that were answered by the HFSPC.

Members agreed the recommendations, noting that the appointment of the LCIV Shareholder Representative is a Council appointment and that this will be formally agreed at the next meeting of full Council.

The Committee were asked to note the contents of the report.

RESOLVED that the report be noted.

The meeting ended at 9.31 pm

PENSIONS INVESTMENT COMMITTEE		
Report Title	DECLARATIONS OF INTERESTS	
Key Decision	No	Item No. 1
Ward		
Contributors	CHIEF EXECUTIVE	
Class	Part 1	Date: 6 September 2022

Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

Personal interests

There are two types of personal interest :-

- (a) an interest which you must enter in the Register of Members' Interests*
- (b) an interest where the wellbeing or financial position of you, (or a "relevant person") is likely to be affected by a matter more than it would affect the majority of inhabitants of the ward or electoral division affected by the decision.

*Full details of registerable interests appear on the Council's website.

("Relevant" person includes you, a member of your family, a close associate, and their employer, a firm in which they are a partner, a company where they are a director, any body in which they have securities with a nominal value of £25,000 and (i) any body of which they are a member, or in a position of general control or management to which they were appointed or nominated by the Council, and (ii) any body exercising functions of a public nature, or directed to charitable purposes or one of whose principal purpose includes the influence of public opinion or policy, including any trade union or political party) where they hold a position of general management or control,

If you have a personal interest you must declare the nature and extent of it before the matter is discussed or as soon as it becomes apparent, except in limited circumstances. Even if the interest is in the Register of Interests, you must declare it in meetings where matters relating to it are under discussion, unless an exemption applies.

Exemptions to the need to declare personal interest to the meeting

You do not need to declare a personal interest where it arises solely from membership of, or position of control or management on:

- (a) any other body to which your were appointed or nominated by the Council
- (b) any other body exercising functions of a public nature.

In these exceptional cases, unless your interest is also prejudicial, you only need to declare your interest if and when you speak on the matter .

Sensitive information

If the entry of a personal interest in the Register of Interests would lead to the disclosure of information whose availability for inspection creates or is likely to create a serious risk of violence to you or a person living with you, the interest need not be entered in the Register of Interests, provided the Monitoring Officer accepts that the information is sensitive. Where this is the case, if such an interest arises at a meeting, it must be declared but you need not disclose the sensitive information.

Prejudicial interests

Your personal interest will also be prejudicial if all of the following conditions are met:

- (a) it does not fall into an exempt category (see below)
- (b) the matter affects either your financial interests or relates to regulatory matters - the determining of any consent, approval, licence, permission or registration
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest so significant that it is likely to prejudice your judgement of the public interest.

Categories exempt from being prejudicial interest

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

Effect of having a prejudicial interest

If your personal interest is also prejudicial, you must not speak on the matter. Subject to the exception below, you must leave the room when it is being discussed and not seek to influence the decision improperly in any way.

Exception

The exception to this general rule applies to allow a member to act as a community advocate notwithstanding the existence of a prejudicial interest. It only applies where members of the public also have a right to attend to make representation, give evidence or answer questions about the matter. Where this is the case, the member with a prejudicial interest may also attend the meeting for that purpose. However the member must still declare the prejudicial interest, and must leave the room once they

have finished making representations, or when the meeting decides they have finished, if that is earlier. The member cannot vote on the matter, nor remain in the public gallery to observe the vote.

Prejudicial interests and overview and scrutiny

In addition, members also have a prejudicial interest in any matter before an Overview and Scrutiny body where the business relates to a decision by the Executive or by a committee or sub committee of the Council if at the time the decision was made the member was on the Executive/Council committee or sub-committee and was present when the decision was taken. In short, members are not allowed to scrutinise decisions to which they were party.

Agenda Item 3

PENSION INVESTMENT COMMITTEE		
Report Title	Exclusion of the Press and Public	
Key Decision		Item No. 4
Ward		
Contributors	Chief Executive	
Class	Part 2	Date: 6 September 2022

Recommendation

It is recommended that under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of Part 1 of Schedule 12(A) of the Act, as amended by the Local Authorities (Executive Arrangements) (Access to Information) (Amendments) (England) Regulations 2006:-

4. Quarterly investment monitoring report
5. Meet the Manager - LCIV presentation
6. Draft Pension Accounts for 2021/22
7. General Update Report
8. Forward Plan of Documents for PIC Approval

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 6

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 7

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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