



Pensions Investment Committee

Net Zero Policy

Date: 16 November 2023

Key decision: No.

Class: Part 1.

Ward(s) affected: None specifically

Contributors: Interim Director of Finance

Outline:

This report sets out route to setting a Net Zero Policy

Recommendation:

The Committee is asked to review and agree the Net Zero Policy.

Timeline of engagement and decision-making

The Pensions Investment Committee has been working on producing a Net Zero Policy for the Pension Fund while understanding the effects it may have on the pension fund investments.

1. Summary

- 1.1. This report sets out the Net Zero Policy as appended. The report will be presented by the Council's advisers, Hymans Robertson.

2. Recommendations

- 2.1. The Committee is asked to review and agree the Net Zero Policy.

3. Policy Context

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

4. Background

- 4.1. One of the primary roles of the Committee is to regularly review the performance of the Fund's investment mandates to satisfy themselves they are in line with the agreed investment strategy, risk profile, and performance for the Fund.

5. Net Zero Policy

- 5.1. In June and September 2023 members discussed the Baseline results of what has been achieved so far and the Net Zero Pathway that shows the likely outcome of the current investment decisions.
- 5.2. The setting of a Net Zero Policy was discussed at the June meeting but it was decided to hold an additional workshop meeting in August and the meeting in September to allow members time for further questions and discussion.
- 5.3. From the meetings and feedback Hymans has updated the New Zero Policy - see Appendix 4

6. Financial implications

- 6.1. There are no direct financial implications arising from this report.

7. Legal implications

- 7.1. In line with the Council's Constitution and the Committee's Terms of Reference within, as the administering authority for the Fund, the Council must review the performance of the Fund's investments or policy changes.
- 7.2. The Pension Regulations require that the Council has regard to the proper advice of its expert independent advisers 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.

8. Equalities implications

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

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9. Climate change and environmental implications

- 9.1. There may be beneficial affects to the climate and the environment from changes to the pension fund investments to meet requirements of the Net Zero Policy as set out in this report.

10. Crime and disorder implications

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

11. Health and wellbeing implications

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

12. Background papers

- 12.1. Appended to this report is the Hymans Robertson Net Zero Policy.

13. Report author and contact

- 13.1. For more information please contact Katharine Nidd, Interim Director of Finance, 4th Floor Laurence House, 020 8314 6651, Katharine.Nidd@lewisham.gov.uk
- 13.2. Financial implications: Tony McGuiness Interim Head of Strategic Finance, Planning and Commercial

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