

**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT
COMMITTEE
HELD ON WEDNESDAY, 18 JANUARY 2023**

COUNCILLORS

PRESENT (Chair) Doug Taylor, Gina Needs (Cabinet Member for Community Safety and Cohesion), Sabri Ozaydin, David Skelton and Edward Smith

ABSENT

OFFICERS: Olga Bennet (Director of Finance), Bola Tobun (Finance Manager – Pensions and Treasury) and Jane Creer (Secretary) Bola Tobun (Finance Manager (Pensions and Treasury) and Olga Bennet (Director of Finance: Capital & Commercial) Robyn McLintock (Secretary)

Also Attending: Daniel Carpenter (Associate Partner, Aon), and Kara Robinson (Senior Investment Consultant, Aon)

**1
WELCOME AND APOLOGIES**

The Chairman welcomed everyone to the meeting.

Apologies for lateness were received from Cllr Tim Leaver.

**2
DECLARATIONS OF INTEREST**

There were none received.

**3
MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 23 November 2022 were agreed with the following amendments;

To correct number sequencing on item 5. Members confirmed the following decisions and actions:

- A. In line with the strategic asset allocation, officers should now give notice to redeem all hedge fund investments
- B. £40m of the cash being held to be invested in bonds: £20m Western and £20m AON

ACTIONS:

PENSION POLICY & INVESTMENT COMMITTEE - 18.1.2023

- Bola to send correspondence from item 3 to members.
- Bola to send Glossary of Acronyms to members and to Local Pension Board Members.

The Chair requested a part 2 minute for item 5 and circulate to members.

Members requested timeline for actions on minutes going forward.

4

CHAIRS UPDATE

The Chair requested a quarterly update for the Committee which provides an indication on the change in numbers for people choosing to leave the Pension scheme.

The minutes from the previous Local Pension Board meeting show the board members queried the need for enhanced DBS checks on members of the Pension, Policy and Investment Committee.

The committee agreed that they are happy to undertake an enhanced DBS check due to the understanding that only enhanced DBS checks provide information on fraud related offences, which may be relevant.

ACTIONS:

- Robyn to raise DBS request to Governance Manager.
- Officers to provide Quarterly update to the Committee on the number of people choosing to leave the Pension scheme to be added to the forward plan
- Bola to arrange for Chief Exec of LCIV to attend PPIC

5

RESPONSIBLE INVESTMENT WORKSHOP

Jennifer O’Niell, CFA Associate Partner - Aon, lead the workshop.

Members raised questions on executive compensation in particular the use of tax havens. Jennifer explained that this is included within ESG, most shareholders would not necessarily have an issue with the use of creative taxation structures.

Members asked what could be done to become aligned with shareholders. Jennifer suggested to look at how the managers are discharging their rights over time and what the results of this are. The Independent Advisor added that a key role of the CIV is to scrutinise the fund managers on our behalf. The Committee could think about becoming signatory to the Stewardship Code although it was confirmed this is not the norm.

PENSION POLICY & INVESTMENT COMMITTEE - 18.1.2023

Aon's view is that the market might be under-pricing climate risks. This can be mitigated by some types of investments.

The Committee want to focus on practical steps to achieve the carbon neutrality targets set. Members commented that they recognise there are challenges in responsible investment which result in a lack of clarity for the objectives.

ACTION: At the next PPIC meeting, the Committee want to agree practical steps to progress responsible investment.

6 ECONOMIC, MARKET AND INVESTMENT UPDATE

Colin Cartwright, Partner- Aon, presented this item highlighting the key points, explaining that 2022 had been a bad year for major asset classes. The recent rally has been sharp but may not last and is expected to peak within the next 3-6 months. Fed funds rate is expected to peak at 5%, whilst rate cuts are priced in towards the end of 2023.

Bailey Gifford significantly underperformed last year. Aon's research team met with them in quarter four last year and will communicate the outcome of this at the next meeting.

ACTION: Aon to provide annual comparison on fund for the past 12 months and Bola to send to the committee when the end of December data is ready.

7 DRAFT PENSION FUND BUSINESS & PPIC WORK PLAN FOR 2023/24 - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

Cllr Smith raised concern on the importance of including reports in agendas, the meetings needs to be practical and focus on decisions to be made.

ACTION: Bola to circulate short note on this item to the committee.

8 REVIEW OF GOVERNANCE COMPLIANCE STATEMENT - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

ACTION: Bola to circulate short note on this item to the committee.

9

ENFIELD PENSION FUND ADMINISTRATIVE KEY PERFORMANCE INDICATORS REPORT - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

ACTION: Bola to circulate short note on this item to the committee.

10

REVIEW OF REPORTING BREACHES POLICY AND CONFLICTS OF INTEREST POLICY - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

ACTION: Bola to circulate short note on this item to the committee.

11

MINUTES OF PENSION BOARD MEETING OF 15TH DECEMBER 2022

NOTED the minutes of the Pension Board meeting of 15 December. Issue raised on DBS checks was discussed in item 4, Chairs briefing.

12

COMPLIANCE WITH CMA - INVESTMENT CONSULTANCY AND FIDUCIARY MANAGEMENT MARKET INVESTIGATION ORDER 2019 - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

ACTION: Bola to circulate short note on this item to the committee.

13

WORKING-GROUP TASKS - TO FOLLOW

The Chair requested a short note to be circulated to the Committee for this item as a report was not submitted.

ACTION: Bola to circulate short note on this item to the committee.

14

AGM PLANNING

Bola Tobun confirmed the agenda would be similar to the previous years AGM.

PENSION POLICY & INVESTMENT COMMITTEE - 18.1.2023

The Chair explained it would be good for members to attend.

Support would be needed from Governance to run the event.

Cllr Edward Smith passed on his apologies for the AGM meeting in March.

ACTION: Bola to invite auditors to the AGM.

15

DATES OF FUTURE MEETINGS

NOTED the dates of the future meetings:

Wednesday 29 March