

# Investment Committee

## Hybrid Meeting – 11 November 2024

### Item 3 – Paper A

#### Actions and Agreements from meeting of 8 July 2024

##### Present

Councillor Yvonne Johnson	Chair – London Borough of Ealing
Councillor Robert Chapman	Local Authority Pension Fund Forum (LAPFF)
Sandra Stewart	Greater Manchester Pension Fund (Chair of Responsible Investment Advisory Group)
Peter Wallach	Practitioner – Merseyside Pension Fund
Euan Miller	Practitioner – West Yorkshire Pension Fund
Jeffrey Dong	Practitioner – Swansea Pension Fund
Nick Buckland	Practitioner – Kent Pension Fund
Louis-Paul Hill	Investment Consultant (Aon)
Iain Campbell	Investment Consultant (Hymans)
Tony English	Investment Consultant (Mercer)
Pete Smith	Investment Consultant (Barnett Waddingham)
Fiona Miller	Asset Pool (Border to Coast)
Chris Rule	Asset Pool (Local Pensions Partnership – LPP)
George Georgiou	Member representative – GMB
Richard Lane	Academies representative – Twyford Academies
Christophor Ward	Government Actuary's Department (GAD)
Jo Donnelly	Head of Pensions, Local Government Association (LGA)
Jeremy Hughes	Senior Pensions Secretary, LGA
Becky Clough	Board Support & Policy Officer, LGA
Ona Ehimuan	Pensions Secretary, LGA
Sarah Tingey	Research and Data Analyst, LGA
Jonathan Hunt	Consultant to the Scheme Advisory Board (SAB)

##### Scheme Advisory Board Secretariat

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## **Item 1 – Welcome, introductions and declarations**

1. The Chair welcomed all in attendance.
2. Apologies had been received from Andrew Dobbie (UNISON) and representatives from the Ministry of Housing, Communities and Local Government (MHCLG) did not attend the meeting given the proximity to the general election. Tommy Bowler (Unite) and Gary Delderfield (Eversheds Sutherland) were absent without apology.
3. Louis-Paul Hill declared a conflict of interest in relation to Item 5 – Code of Transparency Project Update and was not present in the meeting during that item.

## **Item 2 – Meeting protocol**

4. The Chair advised members of the virtual meeting protocol.

## **Item 3 – Actions and agreements from the meeting of 26 February 2024**

5. The actions and agreements from the previous meeting were agreed as a fair and true record of the meeting, although the attendance list needed to be changed as Peter Wallach had not been able to attend.

## **Item 4 – Code of Transparency (CoT) compliance update**

6. Ona Ehimuan (OE) introduced Paper B to the Committee. Since the February 2024 meeting, the rate of compliance within the Code of Transparency online system had increased. The increase was due to uploading of late templates from previous years. The compliance figures were as follows:
  - for 2019/20 it had remained at 98%
  - for 2020/21 it had increased from 95% to 98%
  - for 2021/22 it had increased from 94% to 98%
  - for 2022/23 it had increased from 94% to 98%
  - for 2023/24 the rate stands at 46%. The rate of completion was lower than expected due to the reporting year end date of 31 March 2024, meaning that templates were not classified as late until the end of June. It was expected that the rate would have increased sharply by the next Committee meeting and was in line with the pattern of activity on the system shown in previous years.
7. The Committee also were updated on the asset managers that had a significant number of late uploads. Neuberger Berman have

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significantly reduced the number of late uploads since the last meeting in February 2024 and have committed to uploading the remaining outstanding templates over the coming months.

8. Partners Group reported to the Secretariat that they would not have the capacity to address the outstanding 34 late templates and would instead be focussing on delivering the data going forward. The Committee recognised that while recent data was typically the most valuable, previous templates were also needed for trend analysis. The Committee noted that uploading templates to the system is a condition of being a Code signatory. Compliance by Partners Group was felt to be especially important since it is one of the main providers of private markets investment opportunities to LGPS clients. The Committee requested that the Secretariat contact Partners Group to express their concerns and encourage compliance with the Code's requirements.

**ACTION – that the Secretariat writes to Partners Group to encourage them to upload all their late CoT templates**

## **Item 5 – Code of Transparency Project Update (Confidential)**

9. OE introduced Paper C (Confidential) to the Committee. An update on the progress of the project was delivered to the Committee along with an updated project plan for submission to the Board. The Committee noted the updates and approved the updated project plan for submission to the Board.

**ACTION – That the Secretariat presents an updated project plan to the Board at its next meeting on 22 July 2024**

## **Item 6 – RIAG Report**

10. Sandra Stewart, Chair of the Responsible Investment Advisory Group (RIAG) introduced Paper D to the Committee. The key items of discussion at the most recent RIAG meeting on 13 May 2024 was a presentation from The Pensions Regulator (TPR) on their review of compliance from the second year of TCFD reporting in the private sector and a discussion on the RIAG's ToR and workplan for the coming year.
11. It was agreed that the RIAG would discuss their Terms of Reference again at the next meeting, although there was broad agreement that they should remove the requirement to maintain the Responsible Investment (RI) A-Z database.

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12. The Committee also agreed that at a future meeting they would have a more in-depth discussion of the evolving factors affecting fiduciary duty and recommended that the Board should make a statement on the subject to support officers and elected members. In doing so it was noted that the BDS Bill that was introduced by the previous government had not completed its passage through Parliament and was unlikely to be brought back by the incoming Labour Government.
13. Councillor Rob Chapman expressed support for a statement and guidance to support funds as the lobbying pressure seems to be increasing in intensity.

## **Item 7 – Update on recent engagement activity**

14. Jeremy Hughes (JH) introduced Paper E to the Committee. Following on from a letter sent by Minister Simon Hoare MP in May 2024 to most funds in England, the Board had held engagement events with Pension Committee Chairs and fund officers. Around 60 – 70 officers attended the officer session led by Jo Donnelly, LGA Head of Pensions and 20-25 PC Chairs attended the pension committee session led by Cllr Roger Phillips, chair of the Scheme Advisory Board. The key messages from these sessions were:

- The Chairs appreciated being brought together (even though it was election time) and would want more of these kinds of events in the future
- There was a feeling that MHCLG should engage more widely and this would help it to understand the complexity of some of the issues with pooling
- There was a strong sense that pension fund monies are very different from a sovereign wealth fund and Ministers should not try to direct what LGPS funds invest in
- That said, there are varying appetites to work with Government to find creative financing solutions for infrastructure and other projects that government wanted to get backers for.

15. The Committee noted the next steps in Paper E.

**POST MEETING NOTE – the Local Government Minister after the general election on 4<sup>th</sup> July 2024 is now Jim McMahon MP**

## **Item 8 – Post Election Planning**

16. Jo Donnelly (JD) informed the Committee that the Board would send a welcome letter to the new Local Government minister (once announced) and the Committee was asked for views on the key issues areas which should be raised in that letter.

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17. The role and definition of fiduciary duty, implementing Good Governance, climate risk reporting and clarity on pooling regulations were all highlighted by the Committee. Richard Lane (RL) added that multi-academy trusts were facing increasing structural issues in the scheme and highlighted this as a topic. George Georgiou said that for GMB the key issues were a lack of evidence that pooling has brought the increased returns and reduced asset management costs that were promised. He also raised concern about the way exit credits seemed to be encouraging employers to leave the scheme.
18. Cllr Chapman (RC) mentioned that LAPFF was also planning to set out its views to the new Minister. The areas raised by the Committee were noted by the Secretariat.

**ACTION – that the Secretariat considers the topics raised by the Committee for inclusion in the welcome letter to the new Minister**

## **Item 9 – AOB and date of next meeting**

19. Cllr Yvonne Johnson would be stepping down from the Committee after the conclusion of the meeting as her term of office has ended. JD thanked her for her contributions to the Committee as Chair and wished her all the best in her new role as Mayor of Ealing.
20. The new Chair of the Committee, Cllr Andrew Thornton from Bradford Metropolitan District Council/West Yorkshire Pension Fund, would be confirmed by the Scheme Advisory Board at its next meeting.
21. The date of the next meeting was confirmed as 11 November 2024 at 11:05.

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