

Decisions of the Pension Fund Committee

24 February 2021

Mark Shooter (Chairman)
Elliot Simberg (Vice-Chairman)

Anthony Finn
Peter Zinkin

Anne Hutton
Kathy Levine

Arjun Mitra

Also in Attendance
James Kennedy – Middlesex University
Nick Jellema – Hymans
Yoel Deal – Hymans
Yunus Gajra – West Yorkshire Pension Fund

1. **MINUTES (Agenda Item 1):**

Following the correction of some minor typographical errors the Pension Fund Committee:

Resolved:

That the Minutes of the meeting held on 24 October be approved.

2. **ABSENCE OF MEMBERS (Agenda Item 2):**

None.

3. **DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (Agenda Item 3):**

Councillor Antony Finn and Councillor Mark Shooter made a Non-Pecuniary declaration and stated that they were a Member of the Barnet Pension Fund. Councillor Finn and Councillor Shooter therefore took part in the consideration and voting process in all listed agenda items.

Councillor Peter Zinkin, Councillor Arjun Mitra and Councillor Mark Shooter declared a non-pecuniary Interest by virtue that they have shareholdings in companies that the fund had invested in.

4. **PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 4):**

None.

5. **REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 5):**

None.

6. MEMBERS' ITEMS (IF ANY) (Agenda Item 6):

None.

7. ORDER OF BUSINESS

The Chairman noted that the order of business would be amended and therefore moved items 8 and 10 to the end of the agenda because of the exempt information contained in the reports.

8. ADMINISTRATION REPORT (Agenda Item 7):

The Committee considered the report that provided the Pension Fund Committee with an update on the transition of the administration to West Yorkshire Pension Fund (WYPF), the current performance including the reissuing of Annual Benefit Statement (ABS), Remediation Plan and GMP reconciliation

Mr Gagra from WYPF was in attendance and was therefore invited to give a brief presentation on the transition of the administration service and current service levels. The Chairman thanked him for the update provided.

The Chairman congratulated the Council's Pensions team for all their hard work and requested that this be minuted.

Having considered the report the Committee:

Resolved:

The Pension Fund Committee to note the current performance levels and the update on Annual Benefit Statements.

9. LOCAL PENSION BOARD UPDATE (Agenda Item 9):

Mr Paul Frost from the Governance Service introduced the report. The Pensions Fund Committee was requested to note the contents of the report and consider the recommendations.

Having considered the report the Committee:

Resolved:

1. The Pension Fund Committee noted appendix A, B and
2. The Pension Fund Committee noted that the report shall be reported to the next meeting of Full Council
3. That the Pension Fund Committee approved the Local Pension's Board annual budget as set out in appendix A.

10. RE-PROCUREMENT OF INVESTMENT CONSULTANCY SERVICES TO THE BARNET PENSION (Agenda Item 11):

The report was introduced by the Mr Nigel Keogh. He Informed the Committee that the procurement of Investment Consultancy services to the Barnet Pension Fund had been concluded and therefore he requested that Members consider and note the report.

Having considered the report the Committee:

Resolved:

The Committee noted the intention to reappoint Hymans Robertson as the provider of Investment Consultancy services to the Barnet Pension Fund.

11. RESPONSIBLE INVESTING & CLIMATE CHANGE (Agenda Item 12):

Mr George Bruce gave an overview of the report before the Committee.

Having considered the report the Committee:

Resolved:

That the Pension Fund Committee:

1. Approved the revised Responsible Investment section of the Investment Strategy Statements, and
2. Noted the work that officers and investment advisors will undertake in preparation for the anticipated requirement to comply with the framework established by the Taskforce on Climate-related Financial Disclosures

12. TRANSITION AND REMEDIATION COSTS 11 FEB 2021 (Agenda Item 13):

Mr George Bruce gave an overview of the report. He stated that the report considers administration costs incurred during the change of administrator and as a consequence of poor administration processes.

The Chairman welcomed Mr James Kennedy from Middlesex University to the meeting. Mr Kennedy questioned Officers on the costs incurred to the Pension Fund and employers. It was confirmed that there would be no costs to employers.

Members had the opportunity to consider the report and ask questions to Officers.

Having considered the report the Committee:

Resolved:

That the Pension Fund Committee noted the report.

13. PENSIONS FUND COMMITTEE WORK PROGRAMME (Agenda Item 14):

Resolved:

That the Pension Fund Committee noted the report.

14. INVESTMENT STRATEGY (Agenda Item 8):

Mr George Bruce gave an overview of the report before the Committee. He requested that Members consider the opportunities highlighted to increase both sustainability and pooling within the Pension Fund's investments.

During the discussion on the item, Councillor Peter Zinkin proposed the following motion. *That Officers are requested to prepare a note on the impact on the above changes on the fund's exposure to carbon emissions and fossil fuel reserves*. This was seconded by Councillor Elliot Simberg.

The Committee further noted that Appendix E part 2 was not available and therefore recommendation (g) was withdrawn.

During the exempt session the committee requested that Hymans be instructed to carry out some research on favourable opportunities within the property market in the current climate. This was proposed by Councillor Finn and seconded by Councillor Anne Hutton.

The Chairman requested that the report's recommendations be voted on along with the two points above.

Having considered the report the Committee:

Resolved:

That the Pension Fund Committee agree to:

- a) Invest 5% of the Fund into the LCIV Sustainable Exclusion Equities Fund.
- b) Invest 25% of the fund in the LGIM Future Worlds Index.
- c) Reduce the allocation to LGIM RAFI equities from 20% to 10% of the Fund.
- d) To dispose of the entire holding in LGIM Market Capitalised Index Funds.
- e) To transact the above changes over a two-year period but to authorise the Finance Director (in consultation with Chairman and Investment Advisor) to amend the implementation period.
- f) Invest US dollar equivalent of £40 million in Adams Street Global Secondary Fund 7.
- g) Investments ~~(f) and (g)~~ to be funded firstly by using available cash resources and secondly by realisations from existing investments in diversified growth funds
- h) That the Pension Fund Committee *requested that Officers prepare a note on the impact on the above changes on exposure to carbon emissions and fossil fuel reserves.*
- i) That the Pension Fund Committee requested that Hymans be instructed to carry out some research on the property market in the current climate.
- j) That the Exempt information be noted.

15. PERFORMANCE FOR THE QUARTER TO 31 DECEMBER 2020 (Agenda Item 10):

The Committee considered the report which summarised the Pension Fund investment managers for the quarter to 31 December 2020. The Council's Investment Consultants from Hyman Roberts were in attendance to introduce their analysis of the performance period.

Having considered the report the Committee:

Resolved:

- That the Pension Fund Committee noted the performance of the Pension Fund for the quarter to 31 December 2020.
- The Pension Fund Committee noted the exempt information.

16. ANY ITEM(S) THAT THE CHAIRMAN DECIDES IS URGENT (Agenda Item 15):

None.

The meeting finished at 20:45