

LONDON BOROUGH OF CAMDEN	WARDS: All		
REPORT TITLE Proposed Changes to the Terms of Reference of the Pension Committee			
REPORT OF Borough Solicitor			
FOR SUBMISSION TO: Pension Committee Pension Board Audit and Corporate Governance Committee Council	DATE 20 September 2023 18 October 2023 17 November 2023 20 November 2023		
SUMMARY OF REPORT This report sets out proposed minor changes to the wording of the Terms of Reference of the Pension Committee to reflect the Committee’s commitment to environmental, social and governance (ESG) issues. <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION: No unpublished documents were referred to in the production of this report.</p> <p>CONTACT OFFICERS:</p> <table border="0" data-bbox="225 1227 1326 1563"> <tr> <td>Vicky Wemyss-Cooke Committee Services Manager Law and Governance Town Hall Judd Street London WC1H 9JE 020 7974 5726 vicky.wemyss-cooke@camden.gov.uk</td> <td>Ros Alexander Principal Lawyer Law and Governance Town Hall Judd Street London WC1H 9JE 020 7974 6037 ros.alexander@camden.gov.uk</td> </tr> </table>		Vicky Wemyss-Cooke Committee Services Manager Law and Governance Town Hall Judd Street London WC1H 9JE 020 7974 5726 vicky.wemyss-cooke@camden.gov.uk	Ros Alexander Principal Lawyer Law and Governance Town Hall Judd Street London WC1H 9JE 020 7974 6037 ros.alexander@camden.gov.uk
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RECOMMENDATIONS <p>The Pension Committee is asked to recommend the proposed change to its Terms of Reference set out in paragraph 2.1.5 and 2.1.6 of this report to the Audit and Corporate Governance Committee for consideration and referral on to Council for approval.</p> <p>The Pension Board is asked to note the report</p> <p>Audit and Corporate Governance Committee is asked to:</p>			

- i) Recommend the Council to approve the proposed change to the Terms of Reference of Pension Committee as set out in paragraphs 2.1.5 and 2.1.6 of the report; and
- ii) Recommend to Council that the Borough Solicitor be authorised to amend the Constitution to give effect to the proposed change.

Council is asked to:

- i) Agree the amendment to the Terms of Reference of the Pension Committee as set out in paragraphs 2.1.5 and 2.1.6 of the report; and
- ii) Authorise the Borough Solicitor to amend the Constitution to give effect to the change.

SIGNED:



Borough Solicitor

DATE: 11 September 2023

1. Introduction

- 1.1 At its meeting on 21 July 2022, the Pension Committee considered and noted its terms of reference, as is usual at the first meeting of each municipal year.
- 1.2 During the consideration of the item, the Chair noted that the Council's Constitution had recently be updated to reflect its commitment to environmental, social and governance (ESG) issues and that all reports to Pension Committee now contained a section on ESG issues, entitled 'Responsible Investor comments'. He suggested, and the Committee agreed, that the Committee's terms of reference should be amended in order to also reflect this commitment. This report seeks to give effect to this resolution.
- 1.3 At its meeting on 10th July 2023, the Chair also suggested that the Committee's terms of reference be updated to include reference to its investment beliefs under the strategy as a guide to its approach to markets, asset allocation and investing in general. The Committee agreed with the Chair's suggestion asking that officers consider proposals as to how this could be included in the Committee's terms of reference.
- 1.4 Changes to the terms of reference will require amendment to the Council's Constitution, which is a decision reserved to full Council. Recommendations to Council on amending the Constitution are made by the Audit and Corporate Governance Committee. This Committee is therefore asked to agree the proposed changes and refer them on the Audit and Corporate Governance Committee, for onward referral to Council.

2. Amendments to the Committee's Terms of Reference

- 2.1 In order to give effect to the Committee's wishes it is proposed to amend the Pension Committee's Terms of Reference as below (the proposed additions highlighted and underlined in green):-

Matters reserved to the Pension Committee

General

1. To act as Trustees of the Council's Pension Fund within the terms of the Superannuation Act 1972 and to administer all matters concerning the Council's pension investments in accordance with any applicable law and policy.
2. To make arrangement for the appointment of and appoint suitably qualified investment managers and custodians and to periodically review those arrangements.
3. To ensure that appropriate and sufficient training has been undertaken by all members of the Committee in order to discharge their functions.

4. To take proper advice from officers, investment consultants, independent investment adviser, pension board and actuary.
5. In exercising all of its functions, to take into account environmental, social and governance issues in order to seek to ensure that the Pension Fund is a responsible investor.

Investment

6. Set and review Investment strategy for the Fund to include reference to the Committee's investment beliefs and to always include Responsible Investment comments in all Pension Committee reports.
7. To formulate and publish an Investment Strategy Statement.
8. At least once every three months, to review the investments made by the investment managers and from time to time consider the desirability of continuing or terminating the appointment of the investment managers.
9. To determine the strategic asset allocation policy, the mandates to be given to the investment managers, the performance measures to be set for them and review investment management performance against targets.
10. To monitor the performance and effectiveness of the investment managers and their compliance with the Investment Strategy Statement.
11. Ensure the Fund's voting rights are exercised in line with the Fund's voting policy to ensure the best outcome for the Fund's investment purposes and ensure engagement supports the investment strategy and Fund's performance, except co-filing requests put forward by the LAPFF; and support for resolutions in respect of companies that the Fund does not have a direct shareholding in, which remains a matter for the Executive Director Corporate Services in consultation with the Chair of the Pension Committee unless time allows for the matter to be reported to the Committee for decision.
12. To receive and approve an Annual Report on the activities of the Fund prior to publication.
13. To keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis.

Liabilities

14. To review the risks inherent in the management of the Pension Fund
15. To review the strength of admitted bodies and ability to honour their liabilities.

16. To agree and keep under review a Contribution Strategy and agree the Triennial Valuation.
17. Admit new and exit ceasing employers as and when these arise.
18. To monitor liabilities and ensure progress towards full funded status of all employers.
19. To understand the maturity of the Fund and keep cash flow considerations under review.

3. Finance Comments of the Executive Director Corporate Services

- 3.1 The Executive Director Corporate Services has no comments on this report.

4. Legal Comments of the Borough Solicitor

- 4.1 This is a report of the Borough Solicitor and there are no further legal comments.

5. Environmental Implications

- 5.1 This are no specific environmental implications arising from this report.

REPORT ENDS