

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **PENSION COMMITTEE** held on **MONDAY, 10TH MARCH, 2025** at 6.30 pm in Council Chamber, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE COMMITTEE PRESENT

Councillors Rishi Madlani (Chair), Heather Johnson (Vice-Chair), Anna Burrage, Matthew Kirk, Sylvia McNamara, Jenny Mulholland and James Slater

MEMBERS OF THE COMMITTEE ABSENT

Councillors Shiva Tiwari

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Pension Committee and any corrections approved at that meeting will be recorded in those minutes.

MINUTES

1. APOLOGIES

Apologies for absence was received from Councillor Shiva Tiwari.

2. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA

Councillor Kirk declared for transparency that he had a meeting with Camden Friends of Palestine to discuss some of the issues that had come up in the deputation.

3. ANNOUNCEMENTS (IF ANY)

Webcasting

The Chair announced that the meeting was being broadcast live to the internet and would be capable of repeated viewing and copies of the recording could be made available to those that requested them. Those seated in the Chamber were deemed to be consenting to being filmed. Anyone wishing to avoid appearing on the webcast should move to one of the galleries.

Welcome

Councillor Madlani welcomed the new Head of Treasury and Financial Services Saul Omuco to his first Camden Pension Committee meeting.

Saul introduced himself, informing the Committee that he had moved to Camden from the London Borough of Lambeth where he had worked in a similar area. He was looking forward to working with the Committee.

4. DEPUTATIONS (IF ANY)

The Chair informed members that two deputations had been received and accepted, copies of the deputation statements were included in the supplementary agenda.

The 2 deputations related to the previous petition to Council on ethical Pension Fund Investments and were from:

- Liz Wheatley (Camden Unison)
- Dominic Hua – (Camden Friends of Palestine)

The following responses were given by the deputies to members questions:

- In terms of engagement with LCIV and the Pension Board, Camden Friends of Palestine intended to have meetings with LCIV and all the bodies involved with the investment of Pension Funds. Waltham Forest Palestine Solidarity Campaign had met with LCIV representatives and had consultations but this had not been sufficient.
- Camden Unison had sought to engage with LCIV having emailed them twice but were yet to receive a response.
- The Unison representative observer on the Committee represented the views of unison and was therefore partisan however the observer had no voting or speaking rights.
- Unison did not dispute that Pension Committee members had a fiduciary duty however this was not their only duty, they were also elected political representatives of the community. It was possible to be ethical as well as maintaining a fiduciary duty.
- Camden Friends of Palestine were focussed on the situation in Palestine and requested clear timescales to understand what the Committee was planning to do about ethical investments.
- Although Camden Friends of Palestine campaign was focussed on the situation in Palestine, as acknowledged in the presentation concerns were much wider and also included Camden Pension Fund responsibility to not invest in companies that were involved in international criminality.
- Camden Unison was not just concerned with Palestine, it was also concerned with the climate emergency and other worldwide issues of concern. Palestine was a particular priority at the moment particularly in relation to the situation in

Gaza as well as an ongoing issue with companies that were profiting from the illegal settlements in the West Bank.

- Camden Unison would like to work with the Committee and Camden Pension Fund to look at the companies the Pension Fund invested in, their portfolios and where their investments were. This list could be compared to a devised list of what were considered to be unethical investments.
- Camden Unison were not saying engagement with companies should stop, it was saying that engagement with companies was not a very good measure of whether a company was ethical rather it wanted more transparent recording of the responses to engagement and what the end decisions were in relation to investment.
- The Climate Emergency was considered to be a very significant issue, Unison welcomed the reduced investment in the fossil fuel industry and climate damaging industries and would like to see the same reduction in investment in other industries that were part of the war machine and the companies that profited from occupation. There had been a particular focus on Gaza because of what had happened over the past 17 months and because part the Country was still being denied aid to its people.
- The reference to Volvo and Hyundai was due to the use of these companies' machines to demolish Palestine homes and were examples of companies involved in illegal occupation. However, it was up to Camden Pension Fund to request that investment managers divest from companies involved in illegal occupation, human rights abuses and breaches of international law.

The Chair remarked that on behalf of the Committee they shared the concerns of residents, the deputies and others with regards to the ongoing conflict in the Middle East. As a person who had led faith trips to Palestine and had also worked in Israel, he was worried about the existence and safety of friends and expressed the desire for the conflict to come to an end as quickly as possible so that people could go about their normal lives.

The response to the deputation and petition would be covered under item 7.

The Chair thanked the deputies for their attendance.

5. NOTIFICATION OF ANY ITEMS OF BUSINESS THE CHAIR DECIDES TO TAKE AS URGENT

There was none.

6. MINUTES

RESOLVED –

THAT the minutes of the meeting of the Pension Committee held on 2nd December 2024 be approved and signed as a correct record.

7. RESPONSE TO THE PETITION UNDER THE COUNCIL'S PETITION SCHEME

Consideration was given to the report of the Executive Director Corporate Services.

The Interim Head of Treasury and Financial Services informed the Committee that further to the petition presented at the Council meeting on 20th January 2025 regarding investments in companies potentially linked to the ongoing conflict in Gaza, the Chair of the Pension Committee proposed, and the Council agreed, that the matters outlined in the petition be referred back to the Pension Committee for further review. Additionally, the broader issue of responsible investment was to be examined in conjunction with this petition.

As a result, the report provided the Pension Committee with the necessary information for their deliberation. It addressed the concerns raised in the petition and included details on current responsible investment practices and provided information for Committee members to consider.

Section 2.27 of the report provided actions for members to consider.

Members discussed the proposed various actions under section 2.27 of the report and made the following comments.

- There was general support for carrying out all the proposed actions, however there were concerns over the timescales for carrying out the actions and how all these actions could be coordinated. The concern was how to ensure that things were progressing at the speed required and members could be confident that all the facts were available before the decision was taken.
- The review would look at everything overall and not one conflict area, which was a very complex piece of work. It would be helpful to have on each of the action points a chronology of what was needed at each specific point so Committee members had democratic accountability. The chronology was important in making sure the decisions and actions taken were successful.

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- Defining the scope of the review and scope of the policy would need to be considered together and this would also determine the cost. It would be helpful by the time of the next Pension Committee meeting to have the scope and outline of the review.
- It was important that while looking at all this information the Committee did not lose sight of its' primary purpose, which was to make sure people's pensions could be paid. It was also important that the Committee maintained a firm focus on the climate challenge as climate impacted every investment as well the environment locally as evidenced by the effects of climate change in the borough.
- There did seem to be a lot of overlap with the work LCIV were doing on human rights issues in conflict zones and it would be sensible for Camden to adopt the same policy as LCIV.
- In terms of action 2 – Annual Stewardship Review and Human Rights and its relationship to the 4 other actions, although the climate emergency had been a priority and a main focus of the Committee, human rights and responsible investment beliefs had also been areas which the Committee had been involved in through the LAPFF and subsumed in other parts of the Committee's responsiveness policy. This had normally been reviewed on an annual basis the proposals today were to elevate this area.
- With regards to the approach taken by Camden to the divestment argument, there were multiple conversations going on in the background between Pension Committee Chairs and officers from other boroughs as well as with LCIV and LAPFF partners. Camden's approach was very much informed by these discussions as well as some bits being specific to Camden.
- It was important to recognise that engagement was not only with fund managers, but the Pension Fund also engaged with the companies it invested in for example LAPFF had been engaged with local communities and people, putting pressure on companies to do the things they said they would do in relation to collapsed bridges in Brazil and use of child labour.

In summing up the discussion the Chair highlighted that full Council had delegated authority to the Pension Committee to review the matters outlined in the petition as well as the broader issue of responsible investment. The Committee had agreed to take the five actions proposed in section 2.27 of the report.

The Chair requested that officers carry out work in the interim period before the next Pension Committee meeting in July, which would include preparing precise terms of reference for the scope of the Independent Fund Review, noting that information on the Pension Fund holdings were already in the public domain, officers would help to make the information clearer and easier to understand.

ACTION BY: Head of Treasury and Financial Services / Treasury and Pension Fund Manager

Also clarifying that:

- The July Pension Committee meeting would ratify the scope of the review as well as set out a clear timetable for the five action areas.
- The Committee would bring forward its Investment Belief session normally carried out every three years and implement this as part of triennial valuation action;
- Explicitly bring out what companies Camden Pension Fund invests in, in conflict zones and explore this as a responsible investment policy area, making sure this informed anything done with Fund Managers, LCIV and LAPFF; and
- In engagement with existing Fund Managers understand what they were currently doing to make sure Camden Pension Fund was not exposed to this area.

The Committee

Resolved:

To

- Note the petition; and
- Agree the actions summarised in paragraph 2.27 of the report.

8. PERFORMANCE REPORT

Consideration was given to the report of the Executive Director Corporate Services.

The Treasury and Pension Fund Manager introduced the report which outlined the performance of the Camden Pension Fund investment portfolio and the individual investment managers for the quarter ended 31 December 2024.

Nick Davidson Independent Advisor standing in for Karen Shackleton, provided the Committee with an overview of his comments on the financial markets and provided detail on the performance of the individual Investment Managers, as set out in Appendix A to the report.

Reporting back on an action requested from the last meeting relating to the drivers for the LGIM Future World out performance in quarter 3. the Independent Advisor informed the Committee that as indicated at the last meeting the Investment Manager had confirmed that it was down to sector positions with some of these differences were to be expected over time.

Responding to a Committee member's question about whether there had been any further engagement with Harris after the Fund Manager meeting in February, the Treasury and Pension Fund Manager advised that although there had not been any further engagement, there was a follow up meeting scheduled with them in the next few weeks to discuss action points.

RESOLVED –

THAT the contents of the report be noted.

9. ENGAGEMENT REPORT

Consideration was given to a report of the Executive Director Corporate Services.

The Treasury and Pension Fund Manager introduced the report informing the Committee that this was a regular report presented to Committee Members updating them with engagement activity undertaken by the Fund and on its behalf by the Local Authority Pension Fund Forum (LAPFF) to promote good governance and behaviour in environmental and social issues.

She highlighted that:

- Table 1 listed the distribution of engagements by type of category with human rights the main topic and sent correspondence the main activity. Most of the engagements were in the dialogue phase, the level of staff engaged were mostly at senior or chairperson level and most engagements took place with UK domiciled companies.
- Table 2 showed that Sustainable Development Goals (SDG) 10 (reduced inequalities) and SDG 16 peace, justice and strong institutions were the main areas of focus for the quarter.
- LAPFF continued to challenge corporate climate strategies particularly around bio-energy concerns, questioning Drax's reliance on government subsidies, FTSE 100 companies pushing for shareholder votes on climate plans, supply chain emissions engaging BMW General motors on ethical sourcing of cobalt and lithium. Volkswagens exit from China's Xinjiang region following LAPFF's pressure on human rights risks was a positive outcome.
- On climate strategy LAPFF challenged for example the practises of Hollywood Bowl phasing out zero hours contracts with IHG confirming that it had eliminated them directly in owned operations.

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- In relation to ongoing concerns about UK listing rules, LAPFF engaged with regulators to uphold investor protections. As well as refining its engagement approach, shifting from pure emissions focussed to a broader risk-based approach.
- Following COP 29 LAPFF stressed the importance of scrutinising companies relying on long term offsets rather than immediate emissions reductions.
- LAPFF next engagement priorities in accordance with their work plan 2025/26 would focus on hydrocarbon demand reduction, climate resilience and biodiversity. Tackling supply chain risks, employment rights, challenging misleading corporate disclosures and greenwashing tactics.
- The Companies at which Pensions and Investment Research Consultants (PIRC) voted were in appendix b to the report.

Paul Hunter Chief Executive (PIRC), Alistair Tucker, Stewardship Manager (PIRC) Guillermo Rylance, (PIRC), Harrison Neville, (PIRC) were in attendance to talk about the work of LAPFF and PIRC its research engagement partner, providing information to the Committee on how it decided on its planned work, some engagement successes and how these were reported and issues relating to conflict affected and high risk areas.

The Committee was informed that:

- LAPFF had a membership of 87 Pension Funds and 7 local government Pension Schemes (LGPS) pools.
- The work of LAPFF was undertaken by LAPFF executives such as Councillor Heather Johnson who were elected each year at the LAPFF annual general meeting.
- It was unique in that it enabled Councillors as asset owners to engage directly with companies, which was one of LAPFF's strengths and continued to be well thought of by the companies.
- LAPFF's work plan was what decided how and what it engaged on throughout the year.
- The Work Plan was drafted and went to LAPFF members at the first quarterly business meeting of the year in January with a timeline for members to comment and provide suggestions on areas that they might want more detailed focus on.
- All comments received were replied to, with the draft work plan included on the agenda for the business meeting in April. The agenda was circulated to all Pension Committee Chairs, lead officers and a select group of people on the LAPFF voting alerts list.
- A trial survey was circulated to members last year designed to be a simpler way for members to provide feedback, following positive feedback this had now been incorporated into the work plan.
- The LAPFF quarterly business meetings provided regular updates on its work, research reports and an opportunity for members to ask detailed questions about engagements taken on behalf of members.

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- The Quarterly Engagement Reports provided qualitative insights and qualitative engagement data.
- Sent correspondence was often quite large and included a number of different things such as for example, meeting requests, LAPFF communicating its viewpoint and signal expectations to investor markets and had also included a few major campaigns.
- Responses received were usually small in comparison for example 30 responses were received this quarter to the letter sent to all FTSE 100 companies and Midas Investment Trusts laying out LAPFF's expectations around conflict affected and high-risk areas.
- There was full raw data set of information on correspondence which was available to members upon request and was often requested by Camden.
- The LAPFF Annual report was a better way of finding out about and demonstrating the impact of its engagement efforts. For example, the annual report laid out a timeline of engagement with companies such as Barclays which LAPFF had been engaged with since 2020 on issues such as the climate finance, pressing for a shift away from fossil fuel funding.
- This had included multiple meetings with the Chair, support for a shareholder resolution and issuing voting alerts to members with recommendations for AGMs. This investor pressure had resulted in Barclays committing to no direct financing for expansion of projects in upstream oil and gas, setting stricter lending restrictions and requiring methane reduction targets for its clients.
- The LAPFF Chair's weekly email also provided regular engagement updates which members were welcome to receive, if they were not already.
- With regards to LAPFF's engagement on Israel and Gaza and conflict affected high risk area (CAHRA) there had been huge member interest in recent years particularly as a result of rising geopolitical tensions and increased focus on regulation on human rights within supply chains.
- In relation to the Israel- Gaza conflict, LAPFF had engaged with companies identified on the Office of the United Nations High Commissioner for Human Rights (OHCHR) list. These included companies such as Motorola Solutions, Bezeq and Bank Loomi.
- LAPFF used both the Organisation for Economic Cooperation and Development (OECD) and European Union (EU) definition of CAHRA.
- Based on these definitions LAPFF had developed a core set of expectations for companies engaging in conflict areas such as Ukraine, Gaza, Israel, Myanmar, Xinjiang and the Democratic Republic of Congo.
- The companies were required to adopt and publicly disclose policies on heightened human rights due diligence and included criteria for entering, remaining or exiting a CAHRA.
- The criteria included conduct, robust conflict and human rights impact assessments, integrating findings into their corporate strategy and supply chain oversight, ensuring that business relationships did not contribute to abuses.
- Engaging openly with stakeholders and providing transparent reporting on progress of challenges and any remedial action taken.

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- LAPFF had engaged major electric vehicle manufacturers such as Ford, Mercedes, Volks Wagen and General Motors in relation to their reliance on minerals from conflict areas such as the Democratic Republic of Congo.

The following responses were provided to members questions.

- LAPFF's position was that it did not take a different stance to different regions. It was not seen as a sensible approach to pick one area over another.
- There was no defined list or activities database. There were a couple of sources for conflict zones, however LAPFF engaged companies across a wide range of situations, different regions and different points in terms of conflict.
- LAPFF was trying to provide a holistic approach to engaging companies where it was felt exposure was at its highest.
- With regards to the rationale for Booking.Com being regarded as a focus company for engagement, LAPFF took a decision to engage with all companies that LAPFF had holdings in which included Booking.com.
- In terms of defence companies LAPFF had written and sought to engage with defence companies to find out what they were doing in relation to CAHRA. However, the scope of what could be asked for from these companies was limited as they had licences to supply weapons to countries.
- Where a list existed which specifically focussed on the Occupied Territories, then LAPFF was engaging around that.
- There was a UN supported list of companies that existed for occupied territories but there was not a list that existed for anywhere else.
- There were reports about ongoing exposure or incidents in other areas and LAPFF drew on reports to identify particular risks, but there were no defined lists for other places in the same way that had come from a source such as the UN.
- Volvo and Hyundai had not been engaged in relation to CAHRA but Hyundai had been written to in relation to raw minerals and human rights in their supply chain.
- LAPFF had not requested similar information from the UN on other areas as it would be highly unlikely due to the logistics and complexity of compiling the information.
- It would be useful if there was a reliable source available that could be looked at, similar to carbon emissions where you can look at what the exposure was.
- LAPFF continued to look wherever it could to find examples where it was known Camden Pension Fund was most exposed and then engaged on its behalf.
- In terms of Ukraine and Russia, LAPFF's work had been quite limited because LGPS exposure to Russia was quite limited.

The Chair reminded the Committee that members could attend the regular LAPFF Business meetings.

RESOLVED –

THAT the contents of this report be noted.

10. VOTING AND CORPORATE GOVERNANCE ANNUAL REVIEW

Consideration was given to a report of the Executive Director Corporate Services

The Treasury and Pension Fund Manager introduced the report informing members that it reviewed the proxy voting conducted on behalf of the Pension Fund by Pensions & Investment Research Consultants (PIRC) in 2024 for all shares directly owned by the Fund.

It also analysed the voting data in terms of regions, meeting types, categories of resolutions, as well as looking at trends and hot topics for voting during the year. Some of the key headlines highlighted in Appendix A by Paul Hunter (LAPFF) Guillermo Rylance Research Manager at PIRC were:

- Some significant changes this year as a direct result of Camden's leadership on pass-through voting. As a result of voting Camden's LGIM pooled funds, there had been a 2.5-fold increase in meetings covered (rising from 679 in 2023 to 1,695 in 2024). This had meant that far more of Camden's investments had been voted in line with its policies.
- The opening up of pass-through voting had not only seen an increase in volume of meetings and issuers covered, but also a compositional shift in markets resulting in international diversification of coverage.
- While policies were largely unchanged between the years, this geographic diversification had resulted in some instances of aggregate shifts in voting recommendations reflecting weaker corporate governance standards in certain regions outside the UK.
- As a result of increased coverage, during 2024 advice was provided for 23,405 resolutions up from 12,138 in 2023.
- Despite the increase in meetings, their composition remained similar between the years with Annual General Meetings (AGMs) comprising 85.3% of meetings compared with 85.4% in 2023.
- There was however a noticeably different geographic spread. 43.4% of the meetings were held in the UK down from 90.3% in 2023. Conversely, 15.5% of meetings were in Europe up from 5.9% in 2023 and 36.6% in North America up from just 3.1% in 2023.
- The change in coverage resulted in the Fund supporting 58.5% (13,708) of resolutions down from 67.5% (7,161) the previous year.

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- Director elections accounted for 12,267 resolutions in 2024 and now form over half of resolutions (52.4%) compared with 42.2% in 2023.
- Overall, the Fund supported 65.0% of directors who sought election and either opposed or withheld 34.6% of resolutions in this category. This was down from 78.8% support the previous year.
- Despite the increase in volume and geographic diversification, proportional support for annual reports (including remuneration reports) saw only a slight drop off. In 2024, the Fund supported 40.1% (2023: 41.8%) of related resolutions.
- Meanwhile, for auditor resolutions there was a decline in support from 60.8% in 2023 to 51.5% in 2024.

A member commented that following on from International Women's day last Saturday it was encouraging to see progress in the gender diversity of boards from 33.3% to 43.4%, however it would be good if this could increase to over 50%.

The following responses and comments were provided to Committee members questions:

- With regards to what was happening in the United States with the new administration, there were likely to be far fewer shareholder resolutions and the ability to vote on ESG issues this year.
- It was a hostile environment in terms of ESG issues with certain companies moving away from providing information on board diversity. LAPFF was considering what the response should be working with other like-minded shareholders to include on the next agenda.

RESOLVED –

THAT the report be noted.

11. VOTING POLICY

Consideration was given to a report of the Executive Director Corporate Services

The Treasury and Pension Fund Manager presented the report providing an update of the proposed main changes to the voting policy on page 141 and 142 of the agenda.

These were in relation to:

- Gender Diversity on Boards

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- Audit Election
- Share Buybacks
- Issuance of Shares without Pre-emptive Rights
- Climate Governance and Net Zero Targets

In response to members questions the following information was provided:

- With regards to the reason for the shift in policy in relation to share buybacks and issuance of shares without pre-emptive rights, the PIRC Research Manager advised that the previous policy was implemented a long time ago, the change in position was to align with best practice.
- In terms of the situation in the US and whether this would have any future impact on the US markets, PIRC could provide an analysis next year on how US investors had voted in the US context, based on this analysis suggested amendments to the policy could be made.

Action By: PIRC Research Manager

- In relation to where anything was referred back to Camden for guidance, the request would in the first instance go to officers, if further information was required from members, it would then be referred to the Pension Committee for a response.

The Chair commented that it would be helpful for next year if there was a detailed look at what was happening in the US particularly as reducing inequality and climate action were two of the Pension Funds priority Sustainable Development Goals (SDG) and that some thought was put into what would be useful and impactful.

The Chair noted that while it was good to have voting policies, if however, it was not impactful some thought should be put into whether a change of tactics was needed in the short term or if there was any other option.

The Chair asked that officers work with PIRC to explore other options of responding to the situation in the US such as filing shareholder proposals.

Action By: Treasury Pension Fund Manager/ PIRC Research Manager

The Chair requested that for future reports of policy changes, that these were highlighted with tracked changes.

Action By: Treasury Pension Fund Manager/ PIRC Research Manager

Resolved:

That the voting policy be approved as set out in appendix A to the report.

12. LONDON COLLECTIVE INVESTMENT VEHICLE PROGRESS REPORT

Consideration was given to a report of the Executive Director Corporate Services.

The Treasury and Pension Fund Manager introduced the report outlining the developments and progress of the LCIV as at 31st December 2024 in creating sub funds for the spectrum of asset classes, on-boarding of assets and development of the CIV staff resource. The Committee was also informed of the Governance and Leadership Updates on page 96 of the agenda.

The new Head of Partner Fund Solutions (LCIV) Tim Mpofu was in attendance and provided the following information to the Committee.

- There had been some change in the organisation at senior level which were due mainly to retirements.
- LCIV had a sustainable Working Group which was the LCIV vehicle for engaging with the 32 partner funds, understand what was important to them, build investment products that worked for the 32 partner funds, and also had a common approach and consensus.
- The LCIV's Sustainable Working Group provided a response to the government's LGPS Fit for Purpose consultation.
- In relation to CAHRA and divestment as already indicated during the discussion, this was a complex area which required careful consideration from the Committee in terms of the 5 action steps agreed in item 7 of the agenda.
- LCIV was in the process of an annual review of the five key themes with the idea being to streamline these to three with Climate Change likely to be at the forefront.

Responding to Committee members questions, the LCIV Head of Partner Fund Solutions provided the following information:

- With regards to the issue raised by Camden Unison that LCIV had not responded to engagement requests, he would need to check this with his organisation as he had joined recently and was not sure what engagement had taken place.

Action By: LCIV Head of Partner Fund Solutions

- In relation to whether LCIV was carrying out an audit of the Managed Funds, this was something it was considering in the context of the government's thinking around the fit for future purpose.

RESOLVED –

THAT the contents of the report were noted.

13. MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (MHCLG) CONSULTATION UPDATE

Consideration was given to a report of the Executive Director Corporate Services.

The Interim Head of Treasury Management and Financial Services introduced the report informing members that this was formally presenting to the Committee the response Camden had submitted to the government LGPS 'Fit for the Future' consultation which had previously been seen by members.

Camden was still waiting for the government to indicate what the next steps would be.

Resolved:

That the report be noted.

14. CASH FLOW AND MEMBERSHIP REPORT

Consideration was given to a report of the Executive Director Corporate Services.

The Treasury and Pension Fund Manager introduced the report outlining that it detailed the Pension Fund cash flow and membership statistics for the previous year and over the longer term.

The Committee was informed that:

- Stronger employer and employee contributions had driven an improved cash flow position.
The funds core cash flow before transfers had returned a surplus of £6.76m compared to a deficit of 15 million in the previous year.
- Higher benefit payments reflected an aging membership and inflation linked pension increases.
- Investment income remained a key factor in maintaining cash flow stability.
- The absence of large bulk transfer payments had significantly improved net cash flow compared to last year.
- The analysis highlighted that despite increasing benefit payments, a combination of higher contributions and strong investment income had resulted in a positive cash flow position for 2023/24.
- Officers continued to monitor cash requirements closely to ensure that

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funds were available for the day-to-day administration of the scheme.

- The Council operated a segregated Pension Fund bank account, and this was monitored daily to ensure it was liquid and could support the revenue calls on the Fund.

Responding to Committee members questions the Treasury and Pension Fund Manager provided the following information:

Officers would find out whether information was gathered about reasons people left the pension scheme.

Action By: Treasury and Pension Fund Manager

The Chair commented that due to a significant number of members transitioning into retirement in the next 10 to 20 years, increasing the pensioner base and the low number of members under 30, this posed a future liability for the fund. He noted that this was something that needed to be picked up at the next triennial evaluation.

Action By: Head of Treasury Management and Financial Services / Treasury and Pension Fund Man

RESOLVED –

THAT the contents of the report were noted.

15. ANNUAL REPORT

Consideration was given to the report of the Executive Director Corporate Services.

The Committee

Resolved:

To note the report.

16. BUSINESS PLAN

Consideration was given to a report of the Executive Director Corporate Services.

The Committee noted the items scheduled for future agendas of this Committee together with a record of training sessions and meetings attended and a list of future training opportunities.

The Head of Treasury and Financial Services informed the Committee that Councillor Aref-Adib had replaced Councillor Olszewski as Chair of the Pension

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Board. The Board was also in the process of recruiting a new member to replace Steven Worrell who had recently stepped down from the board.

Meetings with the Investment Managers would continue on a quarterly basis.

In response to a Committee member's question about appointing to the Retired Member Observer vacancy on the Committee, the Chair noted that the position had been vacant for quite a while as the Committee had struggled to appoint to the role. However, officers could have another look at recruiting to the role.

Action By: Head of Treasury Management and Financial Services / Treasury and Pension Fund Manager

The Chair thanked the outgoing Interim Head of Treasury and Financial Services for all his hard work over the past 2 months. Welcomed Saul Head of Treasury and Financial Services and Tim Mpofu from LCIV.

The Chair also Nick Davidson for deputising for Karen Shackleton noting that in his 10 years that he had been the chair of the Committee, this had been only the second meeting that Karen had not been able to attend.

RESOLVED –

THAT the contents of the report be noted.

17. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was none.

The meeting ended at 9.30 pm.

CHAIR

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MINUTES END