

PRESENT

Committee Members

Cllr Quentin Marshall (Chairman)
Cllr Will Lane (Vice-Chairman)
Cllr Sina Lari
Cllr Sam Mackover

Others Present

Graeme Bunn (Co-Optee)
Henry Cooke (Co-Optee)
Robert Davy (Co-Optee)
Richard Hubbard (Co-Optee)
Ross Owen (Co-Optee)

Tom Corderey (CBRE) – Item B1
Andrew Peacock (CBRE) – Item B1
Sandeep Chandarana (Mercer)
James Brundrett (Mercer)

Council Officers

Sharon Cudjoe, Senior Major Projects Lawyer
LeVerne Parker, Chief Solicitor and Monitoring Officer
Julia Stevens, Pension Fund Manager
Phil Triggs, TriBorough Director of Treasury and Pensions
Jerome Treherne, Governance Services

1 APOLOGIES FOR ABSENCE

From Cllrs Elnaghi and Husband.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES OF THE MEETING HELD ON 1 NOVEMBER 2023

The part A and B minutes of the meeting held on 1 November 2023 were confirmed as a correct record and signed by the Chairman.

4 ACTION TRACKER

The Chairman commented that the next climate change working group should be arranged and the other actions in the tracker progressed.

The Committee noted the update paper.

EXCLUSION OF THE PRESS AND PUBLIC

The Chairman indicated that he was minded to resolve to move into Part B (private) session at this stage to consider the exempt items: CBRE Direct Property Update, Baillie Gifford Fee Structure, confidential minutes of the 10 July 2023 meeting of the Investment Committee and the Appendix to item 5, Mercer's Investment Advisor Update.

The Chairman moved, and Cllr. Lane seconded, this proposal. The Committee concurred and duly:

RESOLVED - that the press and public be excluded as the reports and appendices in this part of the meeting contain information relating to the financial or business affairs of any particular person (including the authority holding that information), information in respect of which a claim for legal professional privilege can be maintained in legal proceedings, and in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

[Notes: Following conclusion of the Part B discussions, the Committee returned to Part A (public) session to take decisions on the Part A agenda items, as recorded below.]

5 UPDATE FROM MERCER

James Brundrett advised that no hard deadline for meeting levelling up requirements had been stipulated but such investment would need to be incorporated in the 31 March 2025 update to the ISS.

The Committee discussed the types of investment that fell under the umbrella term of levelling up. The Committee supported the approach of financially justifiable levelling up investment which should focus on benefitting RBKC communities. The Committee requested that Mercer circulate more information on different approaches to levelling up investments including the monitoring of returns from these investments. Phil Triggs read out the 12 areas the government categorised as levelling up investment. The list would be circulated to the Committee.

Action by: Mercer / Phil Triggs

The Committee RESOLVED – that the report be noted.

6 REBALANCING

The Committee RESOLVED – that the BlackRock global equity fund should be rebalanced to bring it in line with the strategic target, with the redemption of the fixed nominal sum of £105m to be implemented on 25 January 2024 and the proceeds held in cash for the time being.

Action by: Phil Triggs

Following a brief discussion, and in addition to the recommendation in the report, the Chairman moved, and Cllr. Lane seconded and the Committee RESOLVED -

that £12m of gilts from cash deposits be purchased and this transaction was to be delegated to officers in consultation with the Chairman and Mercer.

Action by: Phil Triggs / Chairman / Mercer

The Chairman requested that for the next meeting a paper on a liquidity management policy and liquidity risk was drafted for discussion.

Action by: Phil Triggs / Mercer

7 COMPETITION AND MARKETS AUTHORITY (CMA) CONSULTANT REVIEW

[Mercer representatives left the meeting room for this item.]

The Chairman moved, and Cllr. Lane seconded, this proposal. The Committee concurred and duly:

RESOLVED - that the press and public be excluded as the reports and appendices in this part of the meeting contain information relating to the financial or business affairs of any particular person (including the authority holding that information), information in respect of which a claim for legal professional privilege can be maintained in legal proceedings, and in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

[Notes: Following conclusion of the Part B discussions, the Committee returned to Part A (public) session to take decisions on the Part A agenda items, as recorded below.]

The Committee RESOLVED – that it had reviewed and commented on the performance of the investment consultant Mercer Ltd for 2022/23, approved the CMA Investment Consultant Review for 2022/23 and, the Committee agreed to roll forward the investment consultant objectives for 2023/24.

Action by: Phil Triggs

8 NEXT STEPS ON INVESTMENTS - CONSULTANT OUTCOME

The Committee noted that it would be useful to track the approach followed by this fund against the achievements of the pooled approach.

Action by: Phil Triggs / Mercer

In relation to training of committee members, it was noted that holding discussions with investment managers counted as training and had proved useful in increasing member understanding of investment strategies. The Chairman referred to training and suggested as a first step, an analysis of skill gaps of committee members. Once gaps had been identified training would focus on these aspects and this approach was likely to maximise participation rates in training. Phil Triggs agreed a questionnaire would be circulated to identify skill gaps.

Action by: Phil Triggs

The Committee RESOLVED – that the report be noted.

9 BUSINESS PLAN

The Chairman reminded the Committee of the point highlighted by members last year that its responsibility for risk management was limited.

The Committee RESOLVED – that the report be noted.

10 QUARTERLY PERFORMANCE REVIEW

The Committee noted the questions asked at November’s full Council meeting on the Fund’s investment in defence stocks. It was noted the report included detail of the exposure to holdings of companies concerned with defence and weapons manufacture. The report included this factual information which had been included in response to Freedom of Information (Fol) requests and that no change in investment approaches was proposed. The Chairman commented that the companies listed were not operating illegally and any decision to change the approach to such investments could raise practical and ethical concerns. He felt that an Investment Committee meeting was not a suitable forum for such an initial discussion.

The Committee RESOLVED – that the report be noted.

11 ANY OTHER ORAL OR WRITTEN ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT

Phil Triggs noted the rolling forward of the Business Plan objectives from 2023/24 which would be updated for the 2024/25 plan.

The meeting ended at 7.43 pm

Chairman