



Brent

Brent Pension Fund Sub-Committee

Wednesday 19 February 2025 at 6.00 pm

Conference Hall* – Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

***Members are asked to note the change in meeting venue**

Please note that this will be held as a physical meeting with members of the Sub-Committee required to attend in person

The press and public are also welcome to attend this meeting in person. Please note that the meeting is not scheduled for live webcasting.

Membership:

Members

Councillors:

Johnson (Chair)
Kennelly (Vice-Chair)
Ahmadi Moghaddam
Choudry
Crabb
Kansagra
Molloy

Substitute Members

Councillors

Dixon, Ethapemi, Mahmood and Shah

Councillors

Maurice and J.Patel

Non Voting Co-opted Members

Elizabeth Bankole

Brent Unison representative

For further information contact: Harry Ellis, Governance Officer
Tel: 07394837462; Email: harry.ellis@brent.gov.uk

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Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party or trade union).

- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;

a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for Absence and Clarification of Alternate Members	
2 Declarations of personal and prejudicial interests	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Minutes of the previous meeting	
To approve the minutes of the previous meeting held on Tuesday 8 October 2024 as a correct record.	
(Agenda republished to include the attached minutes on 18 February 2025)	
4 Matters arising	
To consider any matters arising from the minutes of the previous meeting.	
5 Deputations (if any)	
6 Q3 2024 Investment Monitoring Report	9 - 36
To receive the Brent Pension Fund Q3 2024-25 Investment Monitoring Report.	
7 Implementation of Infrastructure allocation	37 - 64
This report provides an overview of considerations for moving towards the target infrastructure allocation of 15% of total Fund assets.	

8 LAPFF Engagement Report 65 - 86

To present members with an update on engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund.

9 Training Update - Members' Learning and Development 87 - 104

This report provides an update on the provision of the LGPS online learning facility.

10 Minutes of the Pension Board 105 - 116

To note the draft minutes of the Pension Board meeting held on Thursday 7 November 2024.

(Agenda republished to include the attached minutes on 18 February 2025)

11 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director Democratic Services or their representative before the meeting in accordance with Standing Order 60.

12 Exclusion of the Press & Public

The following items are not for publication as they relate to the category of exempt information set out below, as specified under Part 1, Schedule 12A of the Local Government Act 1972:

Agenda Item 6: Q3 2024-25 Investment Monitoring Report – Fund Manager performance ratings.

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of and particular person (including the authority holding that information)."

Agenda Item 7: Implementation of Infrastructure allocation – Appendix 1: Investment Options and Analysis.

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of and particular person (including the authority holding that information)."

The press and public will be excluded from the remainder of the meeting as the report(s) to be considered contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely:

"Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

13 Presentation from London CIV on Private Debt II Presentation

The Sub-committee to receive a presentation from London CIV regarding Private Debt.

14 Private Debt Allocation 117 - 148

This report provides and update on the Fund's Private Debt Allocation in the short to medium term.

15 London CIV update 149 - 322

To update the committee on recent developments regarding Brent Pension Fund investments held within the London CIV (CIV).

Date of the next meeting: To be confirmed once the 2025-26 calendar of meetings has been finalised



Please remember to set your mobile phone to silent during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.

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LONDON BOROUGH OF BRENT

MINUTES OF THE BRENT PENSION FUND SUB-COMMITTEE

Held in Board Rooms 4, 5 & 6, Brent Civic Centre on Tuesday 8 October 2024 at 6.00 pm

PRESENT: Councillor Johnson (Chair), Councillor Kennelly (Vice-Chair) and Councillors Choudry, Maurice and Molloy along with Elizabeth Bankole (Non-Voting co-opted Member).

Councillor Crabb was also in attendance as an online participant.

Also present: Kenneth Taylor & Malcolm Olsson (Hymans Robertson), David Ewart (Independent Chair – Brent Pension Board) and Councillor Mahmood.

1. **Apologies for Absence and Clarification of Alternate Members**

Apologies for absence were received from Councillor Ahmadi Moghaddam and Councillor Kansagra (with Councillor Maurice attending as a substitute).

2. **Declarations of personal and prejudicial interests**

Councillor Johnson declared a personal interest as a member of the Brent Pension Fund Scheme and also as a Governor of Chalkhill Primary School who were an employer member of the scheme.

3. **Minutes of the previous meeting**

RESOLVED that the minutes of the previous meeting held on Thursday 1 August 2024 be approved as an accurate record of the meeting.

4. **Matters arising**

None.

5. **Deputations (if any)**

No deputations were received.

6. **Q2 2024 Investment Monitoring Report**

Kenneth Taylor (Hymans Robertson) introduced the report, which outlined the performance of the Brent Pension Fund over the second quarter of 2024-25. In introducing the report members were advised that the Fund had posted a positive return with a valuation of £1,279.2m up from £1,259.7m at the end of Q1 with the assets returning 1.4% over the monitoring period. The main driver of the positive return had been the Fund's passive global equity exposure on an absolute basis,

along with its exposure to UK and emerging market equities. Within the income assets, the Fund's private debt, property and multi-asset exposure contributed to performance on an absolute basis. The main detractor from performance was the Fund's government bond exposure, which fell in value as gilt yields rose over the quarter. In noting the wider economic context and update provided on the market background in which the Fund was operating, members were advised of the ongoing challenges and impact arising from uncertainty relating to inflation and fluctuation in interest rates.

The Fund, on a relative basis, had underperformed its benchmark by 0.5% and was behind its composite benchmark over the past 12 months and over 3 years with members noting the current target and asset allocations exposure on an interim and long term basis across growth, income/diversification and protection plus cash and reflecting the Funds Investment and diversification Strategy. This included not only a focus on Global Equity but also Multi Asset, Property and Infrastructure investment allocations which were aimed at reducing volatility. In terms of asset allocation, members were advised that following approval of the partial sale of the LCIV Baillie Gifford Multi-asset fund the first tranche of £33m had been disinvested, with £18m invested in the LCIV JP Morgan Emerging Markets Fund and £15m held in cash. Other transaction activity had included the first commitment to the London CIV UK Housing Fund.

In terms of the funding level, this had been estimated (as at 30 June 2024) to be 123%. This represented an increase from 111% in Q3 2022 with the funding level having remained relatively consistent over the previous 12 month period.

Kenneth Taylor then moved on to provide an outline of performance relating to Fund Managers. Members were advised that Global equities continued to provide positive returns, returning 2.2% over Q2 and maintaining double-digit performance over the last 12 months and 3 years. UK equities had also outperformed global equities for the first time in recent months, returning 3.7% over the quarter. Whilst the Capital Dynamics infrastructure mandate had posted negative returns over the period it was noted this allocation was in run down and represented a small allocation within the Fund. Yield volatility also remained during Q2 with the BlackRock gilts mandate having fallen in value over the quarter as gilts yields rose compared to Q1 levels. In contrast, credit markets continued to perform well resulting in positive performance from the LCIV MAC fund with the property market also having had a positive quarter on an absolute basis, although this still lagged benchmark over the past 12 months. Details were also provided on each mandate's contribution to the Fund's absolute performance over the second quarter of 2024, according to their allocation. The largest contributor to performance over the period remained LGIM's Global Equity fund, given its positive performance and its allocation of c.41%. The Fund also saw positive contributions to performance from the LGIM UK Equity Fund, LCIV JP Morgan Emerging Markets Fund, BlackRock World Low Carbon Fund, and LCIV Baillie Gifford Multi-Asset, Infrastructure and MAC Funds. The main detractor from performance was the BlackRock UK Gilts Fund, making up 9% of the Fund's total assets. Despite negative returns posted by the Capital Dynamics Infrastructure Fund, members were assured this mandate had a relatively small allocation of 0.2%, and had not therefore detracted materially from the Fund's overall performance.

As a further update, members were also advised that since quarter end, one of the Fund Managers had been exploring liquidity options for their private equity mandates, on which a separate report had been provided for the Committee's consideration (Item 14) with LCIV having also placed its emerging markets equities fund under enhanced monitoring due to ongoing underperformance and a further review scheduled for the end of October.

Following the presentation of the report, the Chair invited members to raise any questions or concerns, with queries and responses summarised below:

- In response to a query regarding the role of LCIV, members were advised that the Brent Pension Fund, alongside all the London Borough funds, was a member of the London Collective Investment Vehicle (LCIV), as one of 8 national asset pools that had been set up to pool Fund investments through a series of investments managed through various Fund Managers, designed to maximise the returns available.

Members welcomed the report and, with no further issues raised, thanked Kenneth Taylor for his presentation and **RESOLVED** to note the report.

7. **Brent Pension Fund - Annual Report and Accounts 2023/24**

Fatima Elgamri (Finance Graduate Trainee) introduced the report, presenting the Pension Fund Annual Report and Accounts for the year ending 31 March 2024. At the time of the meeting, the Sub Committee was advised that the audit fieldwork was substantially complete, with the auditors now working on completing their closing procedures and final reviews in order to enable audit sign off by the Audit and Standards Advisory Committee.

Members were advised that the accounts had been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) governing the preparation of the 2023-24 financial statements for Local Government Pension Scheme funds with the aim of providing a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2024 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2024. The main items of note were identified as follows:

- During 2023/24, the value of the Pension Fund's investments had increased to £1,259m (2022-23 £1,116m). This had largely been driven by an increase in value of global equities following a shift in rate expectations, coupled with lower-than-expected inflation figures.
- Total contributions received from employers and employees were £69m for the year, an increase on the previous year's £68m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £52m, an increase on the previous year's £48m.
- As in 2022/23, the pension fund remained in a positive cash-flow position as contributions exceeded outgoings to members.

In terms of the draft Pension Fund Annual Report, members were advised this had been sent to Grant Thornton (External Auditor) for review and would be published on completion of the audit process. The Annual Report included the Fund's Investment Strategy Statement; Pensions Administration Strategy and Funding Strategy Statement.

The Chair thanked Fatima Elgamri for the update provided and then invited members to raise any questions or comments, with queries and responses summarised below:

- In response to further details being sought on progress on completion of the audit process, members were advised that whilst not possible to achieve the initial September deadline efforts were in progress to complete the necessary process during October with no significant or material issues in terms of the Pension Fund Statement of Accounts having been identified to date. It would not, however, be possible to sign off the Pension Fund Accounts until work on the Council's Statement of Accounts had also been completed, which had been subject to delay due to a number of outstanding requests for information that had needed to be addressed. Amanda Healy (Deputy Director of Investment and Infrastructure) assured members that regular meetings with the auditors continue to be held with David Ewart (in his capacity as Chair of the Audit and Standards Advisory Committee) also confirming the efforts being made to complete the audit process as soon as was possible.
- Focussing on the role of Fund Managers in contributing towards any delay in the provision of information relating to the audit process, officers advised that whilst there had been a need to seek further details from some manager's these had not caused any critical delay with this also being reflected in future year's planning.

In thanking the Finance team for their work regarding preparation of the Fund's accounts the Committee **RESOLVED** to:

- (1) Note the draft accounts included as part of the annual report.
- (2) Note the draft Brent Pension Fund Annual Report 2023-24 which would be published as set out in paragraph 4.4 of the report.

8. **Local Authority Pension Fund Forum (LAPFF) Engagement Report**

George Patsalides (Finance Analyst, Brent Council) introduced the Local Authority Pension Fund Forum (LAPFF) Engagement Update.

In presenting the update, members were advised that the LAPFF had been established to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds and engage directly with companies in which investments were held in order to affect change, understand views on company behaviour and risks with engagement being member led and designed to advanced corporate responsibility and responsible investment with collaboration having the potential to strengthening the voice of Pension Funds.

In noting the summary of key engagement work undertaken by the LAPFF during Q2 2024 (as detailed in Appendix 1 of the report) the following key areas of activity were highlighted:

- Engagement, as part of the Forum's ongoing work with banks on climate change with three of the largest banks in Canada (who were recognised to be increasing their lending to oil and gas companies) to outline LAPFF's views to the companies in relation to net zero, understand their positions, and assess the prospect for further engagement. This had resulted in a constructive dialogue being established as a means of develop investor expectations from the Forum's perspective.
- Ongoing engagement with water utility firms to address failures in supply infrastructure and concerns regarding pollution linked with the development of environmental objectives within each companies five-year business plan.
- Engagement with the London Stock Exchange to highlight concerns about the weakening of standards relating to new entrants to the London listed companies market given the recent loss of value experienced by certain companies, which had been followed up with representations made to the Chair of the Financial Conduct Authority (FCA) as the UK Listing Authority.

Having reviewed the viability and advantages available through the sustained collective effort and pressure that could be applied through the LAPFF, rather than by single Pension Funds acting individually, members were reminded that Brent's continued membership of the LAPFF had been supported and approved at the previous meeting.

Having thanked George Patsalides for his presentation of the report, the Chair invited members to raise any questions or comments, with queries and responses summarised below:

- In seeking further detail on the level of dialogue and co-ordination between other Local Authority Pension Funds regarding the type of engagement and collective lobbying being prioritised through the LAPFF, members were advised how this was structured and identified through the LAPFF governance and membership arrangements, which included opportunities for the necessary political as well as operational input. In terms of outcomes being achieved as a result, members were referred to the Q2 engagement report which it was felt provided a good example of the LAPFF demonstrating the impact that could be achieved through collective engagement with market leaders with the main focus currently targeted on shared priorities in relation to tackling climate change.

In terms of the ability to collaborate with partners across London on shared priorities outside of climate and environmental factors, officers advised that these were continually monitored and where opportunities identified these were, recognising the need to maintain focus given the complex nature of the process involved, taken forward with the example provided of the recent engagement with the London Stock Exchange.

With no further questions or comments, the Committee thanked officers for their work in delivering the update and **RESOLVED** to note the update report.

9. **Training Update - Members' Learning and Development**

George Patsalides (Finance Analyst, Brent Council) introduced the report, which provided an update on the provision of the LGPS online learning facility and informed committee members of recent training developments.

In introducing the update, it was noted that members of the Committee had been provided with a training plan (attached as Appendix 3 of the report), with the report detailing progress in completion of the required modules within the agreed timeframe. Members noted the training plan had been adapted to accommodate new members to the Committee whilst also allowing existing members additional time to complete the required training programme, with the current focus on those needing to complete Module 2 and the Sub Committee reminded of the importance in ensuring members possessed the necessary knowledge and skills in relation to their role on the Sub Committee and in overseeing the Pension Fund.

Following the presentation of the update, the Chair invited members to raise any questions or comments, with queries and responses summarised below:

- In response to a query regarding substitute members, the Sub Committee were advised of the current focus in ensuring full members of the Committee completed the training programme with capacity limited at this stage to include substitute members.

With no further questions or comments, the Chair thanked George Patsalides for his work in delivering the training plan and the Committee **RESOLVED** to note the plan.

10. **Minutes of the Pension Board**

The Independent Chair of the Pension Board, David Ewart, introduced the minutes from the most recent Board meeting held on 3 September 2024.

As a starting point, David Ewart took the opportunity to remind members of the function and structure of the Pension Board, which he advised was a statutory body established to review the performance of the Pension Fund and was made up of an equal number of employer and member representatives. In comparison, the Pension Fund Sub-Committee's role focused on the investment and management of the Fund, although in practice the two bodies within Brent worked closely together and shared similar views in overseeing governance of the Pension Fund.

In outlining specific issues considered at the Board's last meeting, members were encouraged to review their Annual Report which provided further detail on the key roles undertaken, which included monitoring performance in administration of the Fund to scheme members.

The Chair thanked David Ewart for the update provided, and with no further issues raised, it was **RESOLVED** to note the minutes from the Pension Board held on 3 September 2024.

11. **Any other urgent business**

No items of urgent business were raised for consideration at the meeting.

12. **Exclusion of the Press and Public**

At this stage in the meeting, the Chair advised that the Sub-Committee would need to move into closed session to consider the final items on the agenda.

It was therefore **RESOLVED** to exclude the press and public from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

“Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”.

13. **Low Carbon Index-tracking Global Equity Fund selection**

Sawan Shah (Head of Finance, Pensions) introduced a report detailing the outcome of a market review (as part of the Funds Investment Strategy) of the Funds passive global equities mandate and outlining recommended investment options for consideration based on the analysis provided.

In outlining the potential approaches available, the Sub Committee received a presentation from Kenneth Taylor (Hymans Robertson) on the analysis and due diligence undertaken in assessing investment options and identifying the shortlisted Funds recommended for consideration based on the principles and objectives outlined within Appendix 1 of the report.

In response to the report, members sought clarification in relation to the following issues prior to consideration of the recommended options:

- The opportunities available to increase leverage in relation to ESG issues.
- The level of risk identified in relation to the move towards the new low carbon equity mandate and potential impact of fluctuations within the market
- The responsiveness of the approach outlined in relation to new and emerging green solutions and forward looking metrics.

Having noted the contents of the report and analysis provided by the Fund's Investment Advisor the Sub Committee **RESOLVED** to approve the recommendations as detailed in section 2 of the report.

14. **Investment update**

Sawan Shah (Head of Finance, Pensions) introduced a report updating the Sub Committee in relation to specific investments held by the Fund with individual providers.

In considering the report, members noted and commended the proactive approach taken by the officers and the Fund's Investment Advisors, which it was recognised had been undertaken in order to safeguard the best interests of the Fund.

Prior to consideration of the recommended options, members sought clarification in relation to the investment approach towards use of potential funds and level of risk identified in relation to the Fund's position.

Having considered the report and advice from the Fund's Investment Advisor the Sub Committee **RESOLVED** to approve the recommendations as detailed within section 2 of the report.

15. **London CIV update**

The Board received and **RESOLVED** to note a report that provided an update on recent developments regarding Brent Pension Fund investments held within the London CIV (LCIV).

Issues highlighted arising from the update included:

- the value of assets invested directly through the LCIV.
- The change in senior management arrangements within LCIV.
- The development of a dedicated UK residential property fund by London CIV with the purpose of increasing the supply of good quality, affordable housing in the UK and a focus on three strategies within the residential housing sector: general needs affordable and social housing, traditional supported housing and, specialist housing.
- The update on the LCIV Fund Manager Monitoring Framework and progress in the development and launch of new Funds, with members keen to ensure a focus (in recognising the Funds fiduciary duty) around the wider potential to explore opportunities for the delivery of social value as part of maintaining a broad and diversified approach toward the Funds Investment Strategy.

The meeting closed at 7:58pm

COUNCILLOR R JOHNSON
Chair

London Borough of Brent Pension Fund

H2 Q4 2024 Investment Monitoring Report –
Public Section

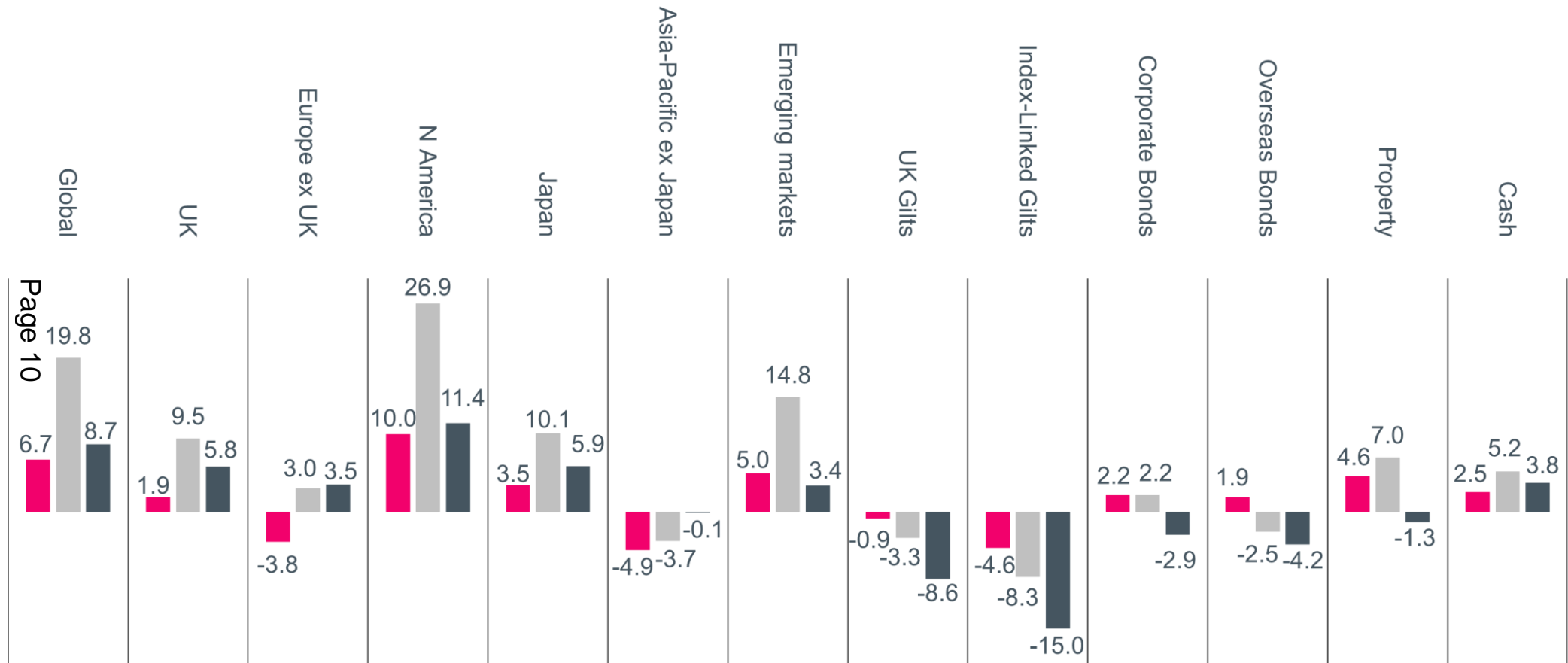
Kenneth Taylor, Senior Investment Consultant

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Market Background

Historical returns for world markets

■ 6 Months (%) ■ 12 Months (%) ■ 3 Years (% p.a.)



Data source: DataStream. ^[1] FTSE All World Indices. Commentary compares regional equity returns in local currency. ^[2] Returns shown in Sterling terms and relative to FTSE All World. ^[3] Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, ICE BofA Global Government Index, MSCI UK Monthly Property; UK SONIA.

Market Background

Market update

The global economy expanded at a solid pace. However, strong service-led US growth contrasted with modest growth in Europe, where global manufacturing weakness weighed on activity. The UK economy slowed from above-trend H1 growth amid uncertainty about government spending and tax rises. In China, subdued domestic consumption undermined export-driven growth as property-market weakness affected consumer and business confidence.

UK annual CPI rose to 2.5% in December, from the Bank of England's (BoE) 2% target in June. This reduced drag also affected the US and eurozone, with year-on-year inflation eased for both – to 2.9% and 2.4%, respectively – over the same period. Core inflation fell to 3.2% in the US and UK and 2.7% in the eurozone, above headline rates in all three.

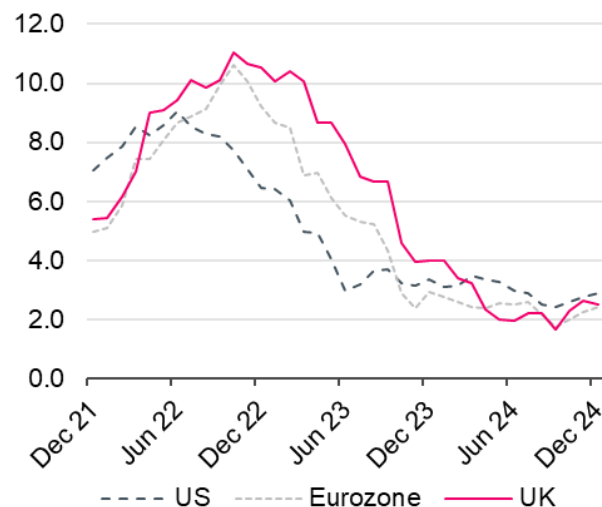
The US Federal Reserve (Fed) reduced rates by 1% pa, to 4.25–4.5% pa, while the European Central Bank (ECB), starting earlier, cut rates 0.75% pa, to 3% pa. The BoE lowered rates by a smaller 0.5% pa, to 4.75% pa. Despite this, implied interest rates rose in the US and UK, as markets expected fewer cuts. The Bank of Japan (BoJ) raised rates 0.15% pa, to 0.25% pa, as core inflation remained above target.

Anticipation of higher-for-longer US rates and tariffs pushed up the trade-weighted US dollar 3.5%, while sterling rose 1.3%. The trade-weighted yen rose 3.8%, after its sharp H1 decline, as the BoJ raised rates and abandoned yield-curve control. The trade-weighted euro fell 0.9%. Oil prices dropped 13.5%, while gold rose 12.9%.

US 10-year bond yields rose 0.2% pa, to 4.6% pa, driven by growth, anticipation of inflationary policy and higher expected issuance to fund tax cuts. UK 10-year gilts increased 0.4% pa, to 4.6% pa, spiking after the Autumn Budget. German 10-year yields fell 0.1% pa, to 2.4% pa, given weaker eurozone growth and inflation prospects.

Global investment-grade credit spreads narrowed 0.2% to a near-historic low of 0.9% pa, while speculative-grade spreads fell 0.3% pa, to 3.1% pa.

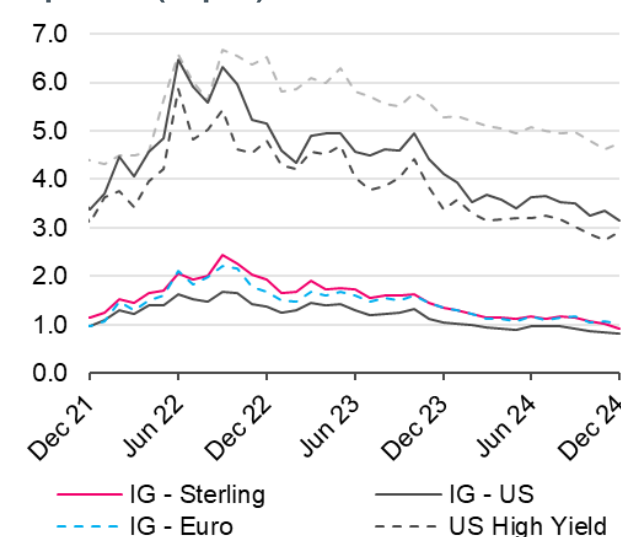
Annual CPI Inflation (% year on year)



Gilt yields chart (% p.a.)

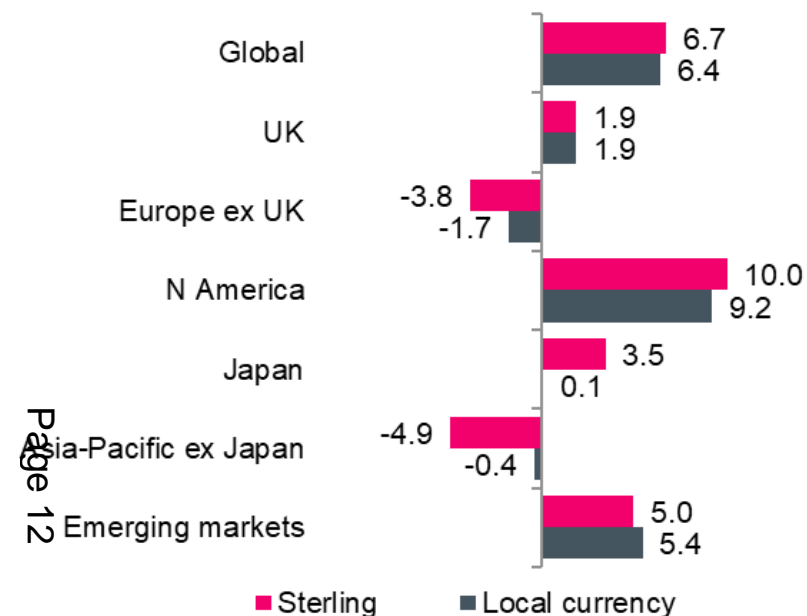


Investment and speculative grade credit spreads (% p.a.)

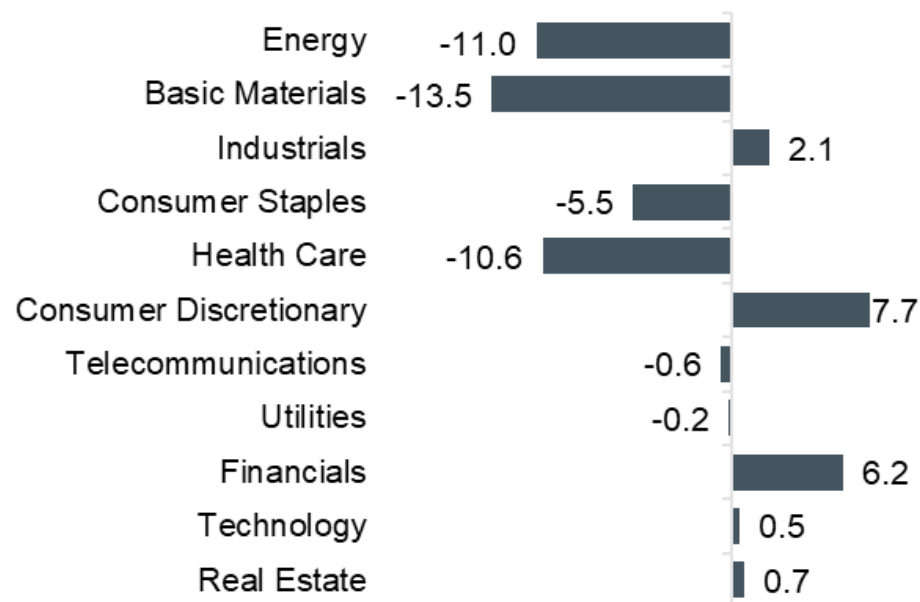


Market Background

Regional equity returns ^[1]



Global equity sector returns ^[2]

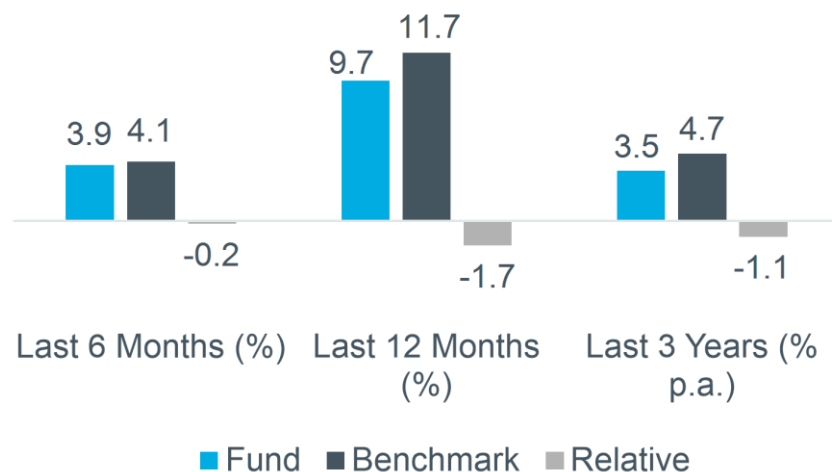


Market commentary

The FTSE All World Total Return Index rose 6.4% in local-currency terms. North American equities outperformed, fuelled by economic and earnings growth and optimism about tax cuts and deregulation. All other regions underperformed. Europe ex UK performed worst, declining 1.7%, due to concerns over US trade policy, weak manufacturing and Chinese competition. Trump's victory affected sectoral performance: consumer discretionary, financials and industrials outperformed, while healthcare fell. Basic materials and energy also underperformed notably, on manufacturing weakness and falling oil prices, respectively.

The MSCI UK Monthly Property Total Return Index rose 4.6% as rising capital values supplemented income. Over 12 months, the index rose 7.0%, as 12-month aggregate capital value growth turned positive in December for the first time in 26 months.

Total fund performance



High-level asset allocation

GrIP	Actual	Benchmark	Relative
Growth	56.4%	58.0%	-1.6%
Income	25.6%	25.0%	0.6%
Protection	13.1%	15.0%	-1.9%
Cash	4.9%	2.0%	2.9%

Key points to note:

- The Fund has posted a positive return over H2, ending the period with a valuation of £1,335.8m, up from £1,279.2m at the end of Q2 and £1,304.4m at the end of Q3 2024.
- The Fund's passive global equity exposure was the main driver of positive return on an absolute basis, along with its exposure to UK and emerging market equities. Within the income assets, the Fund's private debt and property exposure contributed to performance on an absolute basis. The main detractor from performance was the Fund's government bond exposure, which fell in value as gilt yields rose over the period.
- On a relative basis the Fund underperformed its benchmark by 0.2%. The Fund is also behind its composite benchmark over the past 12 months and over 3 years.
- The cash held by the Fund increased over the period to £65.0m.

Asset allocation

	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 24	Q4 24			
LGIM Global Equity	526.1	563.3	42.2%	40.0%	2.2%
LGIM UK Equity	78.6	80.0	6.0%	5.0%	1.0%
Capital Dynamics Private Equity	16.2	9.3	0.7%	5.0%	-4.3%
LCIV JP Morgan Emerging Markets	61.5	62.4	4.7%	5.0%	-0.3%
Blackrock Acs World Low Crbn	36.0	39.0	2.9%	3.0%	-0.1%
Total Growth	718.3	754.0	56.4%	58.0%	-1.6%
LCIV Baillie Gifford Multi Asset	96.4	99.6	7.5%	6.0%	1.5%
LCIV Ruffer Multi Asset	93.1	92.4	6.9%	6.0%	0.9%
Alinda Infrastructure	16.3	17.2	1.3%	0.0%	1.3%
Capital Dynamics Infrastructure	2.4	2.1	0.2%	0.0%	0.2%
LCIV Infrastructure	46.5	54.2	4.1%	5.0%	-0.9%

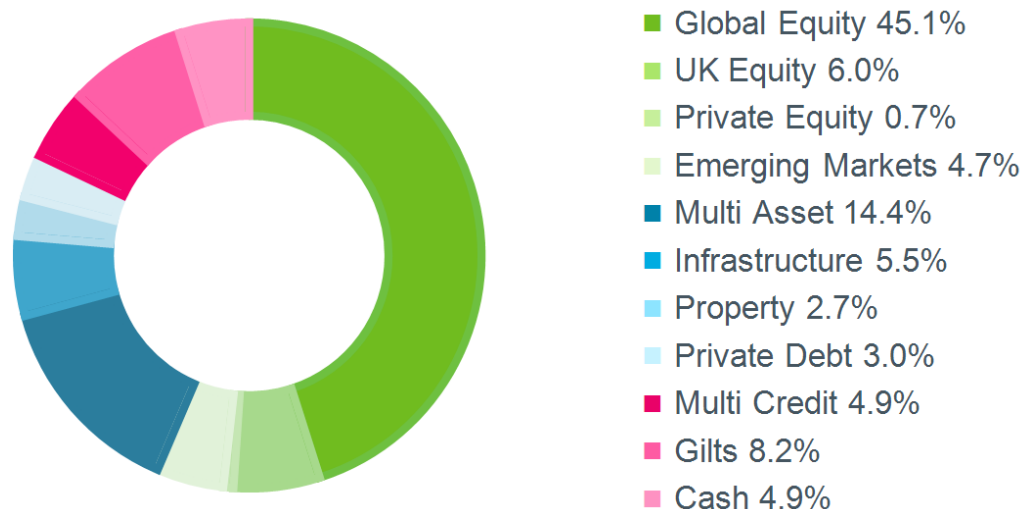
Asset allocation

	Valuation (£m)		Actual Proportion	Benchmark	+ / -
	Q2 24	Q4 24			
Fidelity UK Real Estate	13.3	14.6	1.1%	1.5%	-0.4%
UBS Triton Property	11.0	11.2	0.8%	1.5%	-0.7%
LCIV Private Debt	39.8	40.2	3.0%	5.0%	-2.0%
LCIV UK Housing Fund	5.7	10.3	0.8%	0.0%	0.8%
Total Income	324.4	341.9	25.6%	25.0%	0.6%
LCIV CQS MAC	62.9	65.6	4.9%	5.0%	-0.1%
BlackRock UK Gilts Over 15 yrs	114.6	109.2	8.2%	10.0%	-1.8%
Total Protection	177.4	174.9	13.1%	15.0%	-1.9%
Cash	59.0	65.0	4.9%	2.0%	2.9%
Total Scheme	1,279.2	1,335.8	100.0%	100.0%	

Source: Northern Trust.

7 Note: The target allocations were agreed in in June 2023 as part of the last investment strategy review. The benchmark currently shown as the interim-target allocation as the first step in the journey towards the long-term target. As the Fund's allocations and commitments to private markets increase over time, we will move towards comparison against the long-term target.

Asset class exposures



Asset allocation commentary

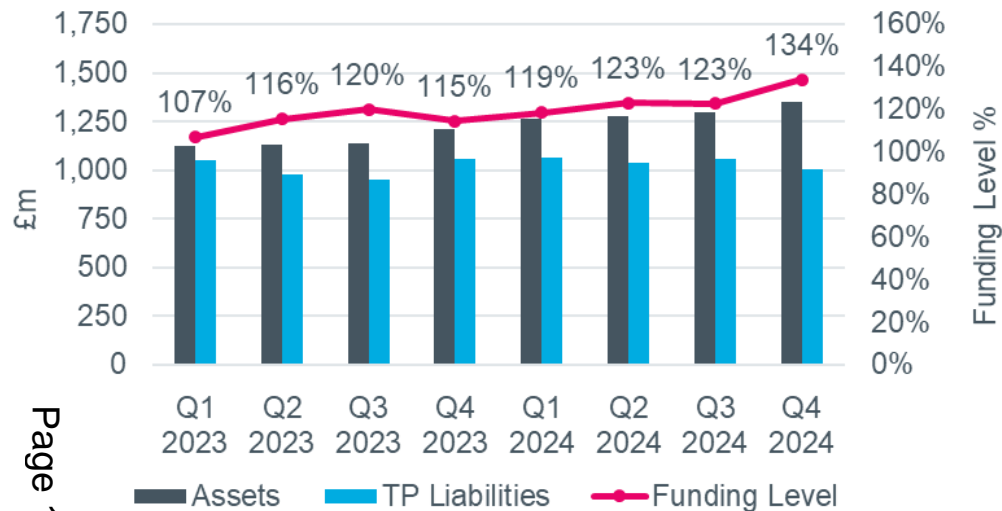
The Fund's current target allocations are as follows:

Interim Growth – 58%; Income/Diversifiers – 25%; Protection plus cash – 17%;

Long-term: Growth – 50%; Income/Diversifiers – 35%; Protection – 15%

- The LCIV infrastructure fund continues its distribution phase, as income from distributions is returned to the Fund quarterly.
- Capital Dynamics explored liquidity options for the private equity mandate. This mandate is in run-off, hence in Q3, the Committee approved the recommendation to vote in favour of the transactions and opted for the cash election option. During Q4, cash proceeds returned to the fund totalled c£6.7m.
- During Q2, the first tranche of the Baillie Gifford rebalancing took place, with £18m reinvested in the LCIV JP Morgan Emerging Markets Fund and £15m held in cash. The cash transaction took place following the quarter end and hence is reflected in the asset valuations on the following pages.
- The LCIV private debt is coming to the end of its investment phase and expect distributions to begin after March 2025.

Fund level progression



Latest funding level summary

	30-Jun-24	30-Sep-24	31-Dec-24
Assets	1,276	1,298	1,347
Liabilities	1,036	1,059	1,005
Surplus/(deficit)	240	239	342
Funding Level	123%	123%	134%

Funding position commentary

As at 31 December 2024, we estimate the funding level to be 134%.

The increase in funding level in the last quarter of 2024 can be attributed to the rise in the discount rate used to discount the liabilities. This results in a fall in the present value of the Fund's liabilities, hence increasing the funding level.

Please note the asset value shown (for the funding level calculation) may differ from the actual asset value as it is an estimate based on estimated cashflows. However, the estimate is consistent with liabilities, therefore gives more reliable estimate of the funding position.

Manager performance

	Last 6 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
LGIM Global Equity	7.1	7.1	0.0	20.2	20.8	-0.4	9.2	9.4	-0.2
LGIM UK Equity	1.9	1.9	0.0	9.5	9.5	0.0	5.9	5.8	0.1
Capital Dynamics Private Equity	0.9	7.8	-6.4	-1.8	22.3	-19.7	-1.1	10.7	-10.6
LCIV JP Morgan Emerging Markets	1.4	1.0	0.4	4.3	9.4	-4.7	-1.9	0.7	-2.5
Blackrock Acs World Low Crbn	8.4	7.2	1.1	22.1	20.8	1.1	9.1	9.2	-0.1
LCIV Baillie Gifford Multi Asset	3.4	3.4	0.0	5.9	7.1	-1.1	-2.3	5.8	-7.6
LCIV Ruffer Multi Asset	-0.7	3.4	-3.9	-1.1	7.1	-7.6	-0.3	5.8	-5.7
Alinda Infrastructure	18.1	2.1	15.7	23.6	4.6	18.2	21.6	7.6	13.0
Capital Dynamics Infrastructure	-9.2	2.1	-11.1	-8.6	4.6	-12.6	-1.2	7.6	-8.2
LCIV Infrastructure	5.3	2.1	3.1	9.3	4.6	4.5	9.3	7.6	1.6

Manager performance

	Last 6 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
Fidelity UK Real Estate	9.7	3.7	5.8	8.7	5.4	3.2	-0.9	0.8	-1.7
UBS Triton Property	2.0	3.7	-1.6	1.4	5.4	-3.8	-	-	-
LCIV Private Debt	1.0	3.0	-1.9	3.0	6.0	-2.8	7.3	6.0	1.2
LCIV UK Housing Fund	-0.5	3.0	-3.4	-	-	-	-	-	-
Income									
LCIV CQS MAC	4.4	3.5	0.9	8.7	7.3	1.3	2.4	5.8	-3.3
BlackRock UK Gilts Over 15 yrs	-4.7	-4.7	0.0	-10.6	-10.6	0.1	-18.4	-18.3	0.0
Protection									
Total Scheme	3.9	4.1	-0.2	9.7	11.7	-1.7	3.5	4.7	-1.1

Manager performance commentary

The assets combined to return 3.9% over the second half of 2024 to 31 December, however lagged its benchmark by 0.2%. Performance over the past 12 month and 3-year periods remains strong on an absolute but similarly remain behind benchmark.

Global equities continued to provide positive returns, returning 7.1% over H2 2024, maintaining strong positive performance over the last 12 months and 3 years. This is mainly due to US stocks rallying following the US election, after expectations of tax cuts and reduced regulation.

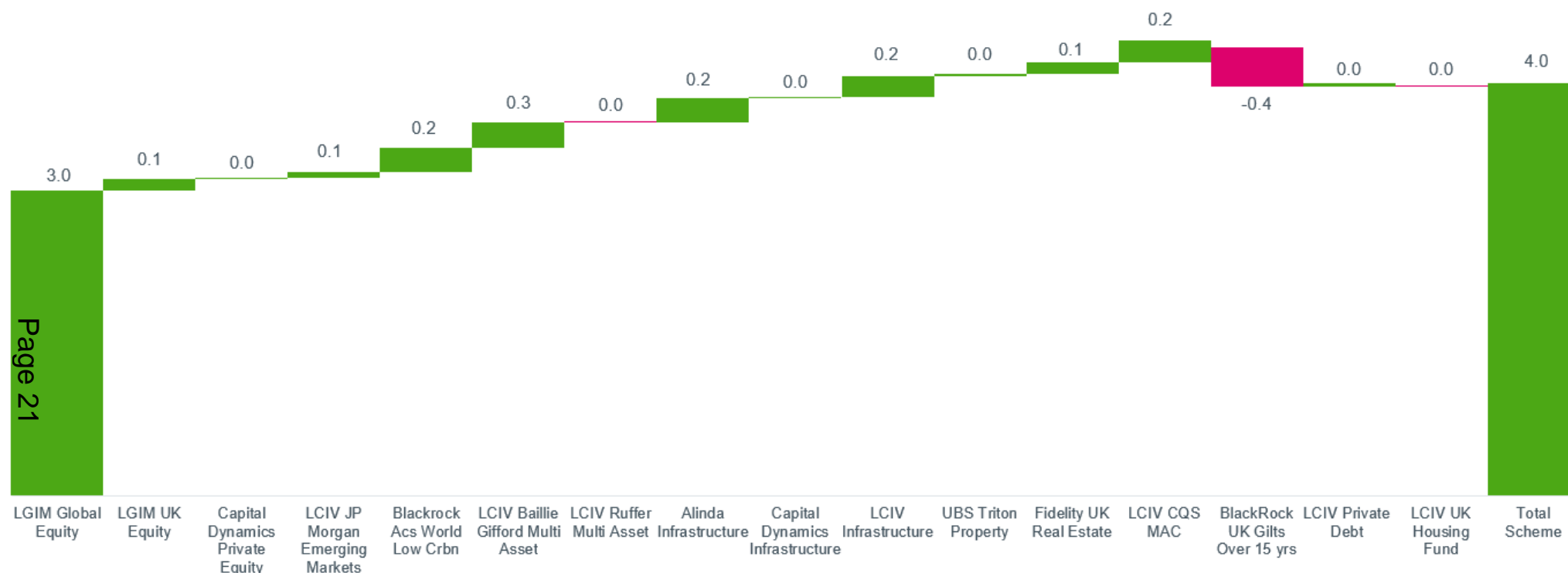
UK equities however underperformed the global market, returning only 1.9% over the period. The UK markets lagged mainly due to economic uncertainty around government spending and tax rates causing a slowdown in the growth outlook.

The property and infrastructure markets generally performed well on an absolute basis over the period. Capital Dynamics' infrastructure mandate posted negative returns over the period; however, this allocation is in run down and represents a small allocation within the Fund.

Credit markets continued to perform well resulting in positive performance from the LCIV MAC fund.

Over the period, the bond market saw a lot of volatility following the UK election and Autumn budget, resulting in gilt yields increasing over the period. This has resulted in the BlackRock gilts mandate falling in value, since gilts yields rose compared to end of Q2 levels.

Fund performance by manager



Page 21

This chart highlights each mandate's contribution to the Fund's absolute performance over the second half of 2024, according to their allocation.

The largest contributor to performance over the period remains LGIM's Global Equity fund, given its positive performance and its allocation of c.40%. The Fund also saw positive contributions to performance from the LGIM UK Equity Fund, LCIV JP Morgan Emerging Markets Fund, BlackRock World Low Carbon Fund, and LCIV Baillie Gifford Multi-Asset, Infrastructure and MAC Funds.

The main detractor from performance was the BlackRock UK Gilts Fund, making up 8% of the Fund's total assets. Despite negative returns posted by the Capital Dynamics Infrastructure Fund, this mandate has a small allocation of <1%, hence did not detract materially from the Fund's overall performance.

Current issues in LGPS – December 2024 edition

In our last edition of 2024, we look back at the year's themes, alongside our usual round-up of current hot topics, such as the Mansion House consultation and the DfE guarantee for FE bodies. Current Issues will return in February but look out for our LGPS 2025 priorities next month. We'll predict the big ticket items across funding, administration, governance and investments that could affect funds in the coming months. Until then, we wish you and your family a very happy Christmas and New Year.

The most wonderful time of the year

2024 has been particularly busy for those involved in running the LGPS. This has been reflected across our communications, with a whopping seven 60-second summaries, 26 briefing notes or similar publications, and 12 webinars being run over the last 11 months. Our [festive lookback](#) provides a quick reminder of the key themes in 2024. And, if you need a challenge, we invite you to complete the LGPS wordsearch in under 5 minutes

LGPS consultation – fit for the future

[Watch our webinar on-demand](#) where our multi-discipline panel share their thoughts and key takeaways from Chancellor Rachel Reeves' first Budget, delivered on 30 October, and their immediate (within 12 hours!) thoughts on the Mansion House speech. The webinar also covered two items in the Budget of particular interest to LGPS funds – the consultation to bring unused pension benefits and death grants into scope for inheritance tax purposes, and the switch in the measure of public debt for its fiscal targets, which now includes the LGPS. Please click [here](#) and [here](#) respectively for further details

DfE guarantee

The UK Government, via the Department of Education (DfE), is now providing a [LGPS guarantee](#) to certain further education (FE) bodies in England. It doesn't extend to universities. The guarantee is structured in a similar way to the existing one that covers academy trusts and is subject to an annual limit. The wording encourages FE bodies to engage with LGPS funds about how the guarantee will affect their funding strategies, with the DfE expecting the lowest risk employer funding strategies to apply, on a par with academies and local authorities. Some funds are likely to be contacted by affected employers to seek 'inter-valuation' contribution rate reviews ahead of the 2025 valuation. That aside, and given the change in the covenant of these employers, funds themselves may want to be on the front foot and initiate a review of rates payable in 2025/26. Please agree a plan with your Fund Actuary.

Current issues in LGPS – December 2024 edition

How do we make productive finance a success?

In the second [publication](#) of our productive finance series, we take a deeper dive into the governmental and historical challenges faced in this area and consider the key success factors and actions that need to happen for it to be a force for good in the UK. The first publication in the series – available [here](#) - introduced the concept of productive finance.

COP29

The Conference of the Parties of the UNFCCC met at COP29 in Azerbaijan last month to negotiate global agreements for addressing climate change. The COP faced criticisms around lobbying and the absence of key decision-makers. However, agreements included \$300bn per year in climate financing (albeit less than the target \$1.3trn). Rules were also agreed to harmonise carbon-credit markets globally, but without the usual consultation, which raised concerns about their rigour. Nevertheless, these decisions will drive capital to climate solutions. The shortfall in scale of action (alongside diminishing US support) highlights the role of asset owners in driving change through capital allocation and stewardship.

Bundle of presents from our 2025 valuations team...

Just like Santa's elves, we've been busy producing lots of goodies for LGPS funds in the lead up to the festive period...

- Those of you who tuned in to (or watched [on demand](#)) our October webinar on Employer engagement through the 2025 LGPS valuation will have been eagerly anticipating some further insights on this topic. Two written pieces are now available – a [briefing note](#) explaining the importance of employer risk monitoring with sector-specific risks for LGPS funds to be aware of, and a [60 Second Summary](#) outlining the crucial steps for bridging expectation gaps amongst employers and fostering effective collaboration among stakeholders.

- In November we held the third webinar in our 2025 valuation series, this time on Considering climate and longevity risks in your LGPS funding valuation. If you missed it, the recording is now available to watch [on demand](#).

- Many LGPS funds have now begun exploring changes to actuarial assumptions ahead of the 2025 valuation with their actuaries. Setting assumptions is an important part of the process that you don't have to wait to do – speak to your actuary about reviewing them now if you want to get ahead!

Current issues in LGPS – December 2024 edition

Responsible Investment - news and views

Our latest quarterly [newsletter](#) considers if RI has kept pace with the rapid advancement of artificial intelligence, and how governance can play an important role to mitigate the environmental impact and control security risks. The update also shines a light on modern slavery and how active stewardship can help to address human rights violations, before finishing with some 'ESG snippets', including the recent launch of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD).

New FSS guidance

On 27 November, the Scheme Advisory Board in England & Wales [recommended](#) that its new [Funding Strategy Statement guidance](#), produced in conjunction with CIPFA, be approved by MHCLG. It looks like this guidance will be available prior to the 2025 valuation. The requirements of the new guidance largely reflect the changes we made to FSSs at the 2022 valuation, and so updating these documents at the 2025 valuation should be relatively straight forward. This will allow funds to concentrate on reviewing supplementary funding policies, such as those covering cessations of academies.

Club Vita's latest webinars

As well as providing pension funds with longevity analysis, [Club Vita](#) regularly host webinars to explore emerging trends in longevity risk. In its most recent episodes of the popular "The Risk of Living Longer" webinar series, the panellists explored the impact of behavioural change on longevity outcomes ([click here](#)) and the possibilities for preventing dementia ([click here](#)).

InflationWatch

Our latest quarterly [update](#) looks at key indicators that provide clues to the direction of travel on future inflation. It also considers other factors that may have an impact, including the US election result, measures announced in the UK's Autumn Budget, interest rates cuts by the Bank of England and energy prices.

Manager benchmarks and performance targets

Mandate	Date appointed	Benchmark description
LGIM Global Equity	31/10/2010	FTSE AW Dev World ex UK Index
LGIM UK Equity	12/06/2012	FTSE All Share Index
Capital Dynamics Private Equity	31/12/2003	MSCI All World +1% p.a
LCIV Baillie Gifford Multi Asset	31/05/2012	BOE Base Rate + 2%p.a
LCIV Ruffer Multi Asset	15/03/2017	BOE Base Rate + 2% p.a
LCIV JP Morgan Emerging Markets	30/11/2018	MSCI Emerging Market Index
Blackrock Acs World Low Crbn	03/09/2021	MSCI World
LCIV Private Debt	22/06/2021	Absolute Return 6-8% p.a
Alinda Infrastructure	31/08/2009	UK CPI + 2% p.a
LCIV Infrastructure	31/10/2012	UK CPI + 2% p.a
Capital Dynamics Infrastructure	31/10/2012	UK CPI + 2% p.a
Fidelity UK Real Estate	22/12/2021	MSCI/AREF UK All Balanced Property
LCIV CQS MAC	30/11/2018	SONIA + 2% p.a
BlackRock UK Gilts Over 15 yrs	05/03/2019	FTSE UK Gilts Over 15 yrs
UBS Triton Property	31/08/2022	MSCI/AREF UK All Balanced Property
LCIV UK Housing Fund	31/03/2024	Absolute Return 6% p.a

Glossary - equity manager styles

‘Style’ refers to the type of stocks a manager will typically research and select for portfolios. It is important to diversify these ‘styles’ in order to manage concentration risks.

- **Value** – this style tilt considers whether stocks held within the portfolio are discounted relative to their fundamentals, i.e. whether stocks have low market valuations versus current earnings or book value.
- **Growth** – this style tilt considers companies earning potential relative to its industry and the overall market. The key consideration within this factor is a company’s potential for growth and therefore commonly used metrics include historical earnings growth and forward earnings growth.
- **Quality** – this style tilt considers companies financial stability. A company’s quality can be evaluated using various metrics including: profitability, earnings quality, financial leverage and corporate governance.

Volatility – this style tilt considers the systematic risk of the portfolio relative to the market.

Momentum – this style tilt is based on the premise that stocks that have recently risen or fallen in price will continue to do so in the future.

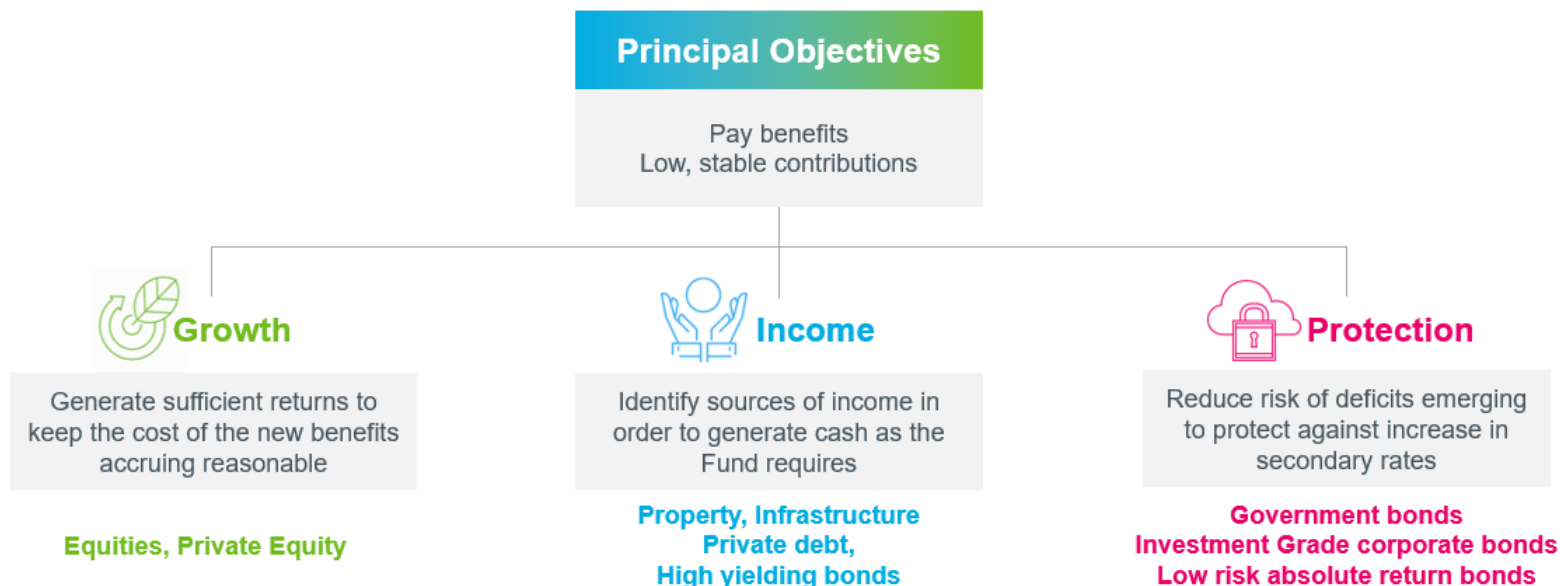
Low volatility – A low volatility equity manager will aim to construct a portfolio that exhibits significantly lower volatility than the benchmark index (low volatility is a relative, not absolute, term). A low volatility manager will generally target a volatility of around 15% p.a. versus a benchmark that exhibits a 20% p.a. volatility. A low volatility portfolio will generally be constructed through a quantitative assessment of past stock performance and correlation to select stocks that have historically exhibited low levels of volatility.

- **Neutral** - A neutral manager will aim to construct portfolios that have no significant sector or style biases relative to the benchmark index. This is more common in bottom up, in-depth research, managers (sometimes referred to as ‘stock pickers’) who aim to isolate stocks that are undervalued relative to their peers whilst avoiding taking a position on whether a country or industry itself will out or underperform. For example they might take an overweight position in BP if they believe the stock is fundamentally undervalued but remove their exposure to the more general oil market by compensating with an underweight **position in Shell**.

Glossary

- **Buy-out** – purchase of a more mature company usually as part of a private equity deal.
- **Capital structure** – how a company is financed through equity and debt.
- **Closed-ended** - When an investment fund has a finite lifecycle, money is invested and returned in full to the investor over a defined period (usually 5 – 8 years for private debt)
- **Commitment** – The investment amount initially made to a fund, this is then drawn by the manager over time and invested.
- **Dividend** – Annual income paid through holding an equity.
- **Duration** – A measure of the average expected life of an investment that indicates sensitivity to interest rate changes.
- **Indirect – Access and asset via other funds rather than directly.**
- **Information ratio** - This measures the risk-adjusted returns of a fund relative to its respective benchmarks. For active funds, a higher information ratio is better.
- **IRR** - a measure of performance taking into account cashflow.
- **Liquidity** – ability to sell a stock quickly at a known price.
- **MAC** – Multi Asset Credit, an investment fund made up of a mix of different types of debt/credit.
- **Mid-market** – focus on mid-sized companies.
- **Open (closed) ended investment** – Open ended investments have no end date and can be traded. Closed ended cannot usually be traded and have a finite life.
- **Senior secured** - Debt issued at a high level in a company's capital structure secured against company assets.
- **Sub-investment grade** – bond assets rated below investment grade (and therefore higher risk).
- **Tracking error** – This shows the difference in actual performance between a fund and its respective benchmark. This should be lower for passive funds tracking an index compared to active funds where the manager is trying to outperform a benchmark.
- **TVPI** - Total value (distributions plus residual values) divided by paid-in capital. An alternative measure of the return on investment for closed-end funds
- **Volatility** – a measure of risk based on 'ups and downs' of stock/portfolio over a period of time.

Growth, Income and Protection



Geometric vs arithmetic performance

Hymans Robertson are among the investment professionals who calculate relative performance geometrically as follows:

$$\frac{(1 + \text{Fund Performance})}{(1 + \text{Benchmark Performance})} - 1$$

Some industry practitioners use the simpler arithmetic method as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The geometric return is a better measure of investment performance when compared to the arithmetic return, to account for potential volatility of returns.

The difference between the arithmetic mean return and the geometric mean return increases as the volatility increases

Risk warning

This report is addressed to the London Borough of Brent Pension Fund. It should not be released or otherwise disclosed to any third party except as required by law or regulatory obligation or without our prior written consent. We accept no liability where the report is used by, or released or otherwise disclosed to, a third party unless we have expressly accepted such liability in writing. Where this is permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

This report may contain fund and fund manager specific research ratings and comments based on the views of our investment research team. Please speak to your investment adviser before taking any investment decisions or actions. They will advise whether formal investment advice is necessary, including a risk assessment and investment suitability information where appropriate.


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of the Local Government Act 1972.

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 Brent	Brent Pension Fund Sub-Committee 19 February 2025
	Report from the Corporate Director, Finance and Resources
Implementation of Infrastructure allocation	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	PART EXEMPT - Appendix 1, Increasing the Infrastructure allocation as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
List of Appendices:	One: 1. Increasing the Infrastructure allocation
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk) Amanda Healy, Deputy Director of Finance (amanda.healy@brent.gov.uk) Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk)

1.0 Executive Summary

- 1.1 The report provides an overview of considerations for moving towards the target infrastructure allocation of 15% of total Fund assets.

2.0 Recommendation(s)

The Pension Fund Sub-Committee is recommended to:

- 2.1 Note the analysis provided by Hymans Robertson regarding the infrastructure allocation.

- 2.2 Consider the different pathways for increasing the infrastructure allocation, including how ESG and local investment could be incorporated, timelines, and alternative funds.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

- 3.2.1 The London Borough of Brent Pension Fund invests in a variety of different asset classes to generate investment returns and diversify exposure in order to meet its primary objective which is to provide pension benefits as they fall due.
- 3.2.2 The most recent investment strategy review, completed in February 2023, the committee agreed to maintain a long term 15% strategic asset allocation to Infrastructure assets.
- 3.2.3 The fund's current infrastructure investments and the total proportion of infrastructure assets are shown in the table below:

Infrastructure Assets	Value as at 31 December 2024 (£m)	% of Fund
Alinda	17.2	1.3
Capital Dynamics	2.1	0.2
London CIV	54.2	4.1
Total Infrastructure	73.5	5.5
TOTAL ASSETS	1,335.8	100

- 3.2.4 The Fund's main exposure to the infrastructure asset class is through the London CIV Infrastructure Fund which is a funds of funds product managed by Stepstone. This investment, a commitment of £50m, was agreed in 2019. To date, a total of £45.4m has been invested by Brent, and the current value of the fund is £54.2m. The remaining uncalled investment is £4.6m.
- 3.2.5 This fund currently invests in 11 underlying funds with a significant allocation to renewables (45%) and transport (28%) with the remainder invested across a range of sectors including communications, logistics and utilities.
- 3.2.6 The fund has a minimum allocation of 25% to renewables and all other sectors are limited to a maximum of 25% per sector.

3.2.7 As at 31 December, the Fund also has smaller infrastructure allocations with Alinda II and III infrastructure funds (£17.2m in total) and Capital Dynamics (£2.1m in total).

3.2.8 Therefore, new investments will need to be identified to build the allocation to infrastructure towards its 15% target. The Fund's investment advisors have prepared a report, attached in Appendix 1, which provides an overview of considerations for moving towards the target infrastructure allocation.

3.3 Increasing the Infrastructure allocation

The report covers the following areas:

3.3.1 **Overview of LCIV Infrastructure Fund:** Analysis of the Fund's current exposure to infrastructure is through the LCIV Infrastructure Fund.

3.3.2 **Investment and ESG Objectives:** Discusses the investment characteristics and ESG objectives of the infrastructure allocation, including:

- The difference between economic infrastructure and social infrastructure;
- Expected returns from infrastructure investments and the link to the development cycle;
- Key risks in infrastructure investments;
- The role of infrastructure in meeting net zero targets;
- Local investment.

3.3.3 **Pathways and Timeline for building the allocation:** Provides an overview of different pathways to the target allocation including:

- Key characteristics of the various types of pooled infrastructure funds available for investment;
- Timeline for increasing the allocation;
- Potential pathways for increasing the allocation including increasing the allocation to the LCIV Infrastructure Fund, direct investment and using other funds to diversify the allocation.

3.3.4 **Fund Examples:** Discusses alternative funds that could be considered in addition to the LCIV Infrastructure Fund.

4.0 Stakeholder and ward member consultation and engagement

4.1 In view of the nature of the report, there has been no consultation or engagement with stakeholders or ward members to date.

5.0 Financial Considerations

5.1 There are no direct financial considerations arising out of this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising out of this report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no adverse equality considerations arising out of this report.

8.0 Climate Change and Environmental Considerations

8.1 There are no climate change or environmental considerations arising out of this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are no HR or property considerations arising out this report

10.0 Communication Considerations

10.1 There are no communication considerations arising out of this report.

Report sign off:


MINESH PATEL

Corporate Director, Finance and Resources

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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	<p align="center">Brent Pension Fund Sub-Committee 19 February 2025</p>
	<p align="center">Report from the Corporate Director of Finance and Resources</p>
<p>LAPFF Engagement Report</p>	
<p>Wards Affected:</p>	<p>All</p>
<p>Key or Non-Key Decision:</p>	<p>Non-Key</p>
<p>Open or Part/Fully Exempt:</p>	<p>Open</p>
<p>List of Appendices:</p>	<p>One - LAPFF Engagement Report Q3 2024</p>
<p>Background Papers:</p>	<p>N/A</p>
<p>Contact Officers:</p>	<p>Minesh Patel, Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk)</p> <p>Amanda Healy, Deputy Director of Finance (amanda.healy@brent.gov.uk)</p> <p>Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk)</p> <p>George Patsalides, Finance Analyst (george.patsalides@brent.gov.uk)</p>

1.0 Executive Summary

- 1.1 This report is for noting and presents members with an update on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund. The Fund's commitment with LAPFF and its work demonstrates its commitment to Responsible Investment and engagement to achieve its objectives.

2.0 Recommendation(s)

- 2.1 The Committee is recommended to note this report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background to LAPFF

- 4.1 LAPFF (the Local Authority Pension Fund Forum) has 87 members, 7 pools and combined assets exceeding £350bn. With investments widespread in many sectors, LAPFF's aim is to act together with the majority of the UK's local authority pension funds and pool companies to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds.
- 4.2 Leading the way on issues such as campaigns against excessive executive pay, environmental and human rights campaign, reliable accounting and a just transition to a net zero economy, the Forum engages directly with company chairs and boards to affect change at investee companies. LAPFF engages with companies and its stakeholders, such as employees and local communities, to understand their views on a company's behaviour and risks. Some issues extend beyond the behaviour of individual companies to the way markets function. The engagement is member led and on behalf of the Brent Pension Fund and other local authorities, LAPFF are able to challenge regulators and deliver reforms that advance corporate responsibility and responsible investment.
- 4.3 In October 2019, the Pension Fund Sub-committee approved Brent Pension Fund's membership into LAPFF. Members of the Pension Sub-committee are welcome to attend meetings of the Forum. As a member of LAPFF, Brent Pension Fund are entitled to contribute to and participate in the work plan organised by the Forum around issues of common concern.
- 4.4 Collaboration with other investors has the potential to strengthening the voice of Pension Funds, influence major companies on key ESG issues and help drive real-world change. Examples of the work carried out by LAPFF are provided below and in previous engagement reports to the committee. Individual funds, like Brent, engaging with companies on their own are unlikely to much of an impact and the Fund would require significant resources to do so effectively. Therefore, membership of collaboration groups such as LAPFF is considered to be more efficient whilst also likely to have greater impact.

5.0 Engagements Conducted by LAPFF

- 5.1 The LAPFF policy on confidentiality requires that all company correspondence (letters and meeting notes) remain confidential; however, LAPFF produce a

Quarterly Engagement report to give an overview of the work undertaken. A summary of key engagement work has been provided in this report. The full report is attached in Appendix 1 (for Q3 2024) and highlights the achievements during relevant period.

Zero Hour Contracts

- 5.2 LAPFF has initiated a series of engagements focused on the use and potential elimination of zero-hours contracts (ZHCs) in the UK. The Forum is seeking to engage with companies that utilize ZHCs as part of their core operations to understand the potential impacts of a ban on business operations, and any steps being taken to mitigate a ban and/or associated risks. There are estimated to be around 1 million workers on ZHC's in the UK. Women and people from ethnic minority backgrounds are more likely to be employed under this type of contract, and the very large majority of workers on them are in non-supervisory roles.
- 5.3 During Q3 LAPFF received written responses from both Compass Group and Hollywood Bowl. Mitie Group agreed to a meeting with LAPFF vice Chair John Gray. Frasers Group refused LAPFF's invitation to engage and did not provide its position as it relates to Zero Hour Contracts. In response to the question of exposure, Compass Group stated its use of ZHCs is limited to only specific areas, such as hospitality and sporting events, where flexibility is beneficial to operations. The company further elaborated that its flexible working policy ensures that employees on ZHCs can request fixed-hour contracts, and all ZHC employees have full employment contracts with the same terms and benefits as the broader workforce. The company believes its approach aligns with best practices and would not be impacted by the Labour party's proposed changes.
- 5.4 LAPFF's policy is that, on balance, there is no clear evidence that business models based on zero-hour contracts and precarious work outperform business models with different and more inclusive human capital strategies. In that context, LAPFF will continue to monitor developments relating to Employment Rights Bill and continue to engage investee companies regarding their exposure to the practice.

Water stewardship

- 5.5 Since 2022, LAPFF has engaged with water utility companies to address ongoing concerns about the pollution of rivers and coastal areas caused by storm overflows through Combined Sewer Overflows (CSOs). CSOs act as relief valves during periods of heavy rainfall, preventing sewage from backing up into homes by releasing excess stormwater and wastewater into the environment. Through its engagements, LAPFF aims to ensure that water utilities companies are making progress in reducing overflow incidents while ensuring that upcoming five-year business plans are cost efficient and include both environmental and social commitments.
- 5.6 This year's engagements reflect on data from 2023, a year that saw an increase in overflow incidents due to significantly wetter weather in the UK. In the quarter

LAPFF met the chair of Severn Trent Water (STW). STW is one of the largest water utility companies in the UK, serving over 4.5 million households and businesses across the Midlands and parts of Wales. This was the third meeting that LAPFF has had with Severn Trent's chair and the Forum welcomed the ongoing dialogue with the company on the issue.

- 5.7 To meet the expected increase in capital expenditure to address, amongst other things, pollution from storm overflows water companies are seeking to increase water prices. STW plans were well received by Ofwat even if the regulator reduced the company's proposed price increase. Despite significant sector challenges, they remain committed to meeting their sewer overflow targets.
- 5.8 Despite progress being made, water companies continue to have some way to go to reduce overflows and reduce the regulatory and reputational risks they face on the issue. LAPFF will therefore continue to engage with water utility companies with the focus on ensuring progress towards their targets and that the additional investment is being used cost-efficiently. LAPFF will also be following the regulator's final determinations.

BP & Shell

- 5.9 During continued engagement with Shell and BP, LAPFF's approach has remained to test oil and gas companies beyond claims of decarbonisation based on existing business models to challenge the viability of the current business. This expectation, based on LAPFF policy, is that the demand for hydrocarbons will 1) reduce in aggregate terms; and 2) that demand will be met by lowest cost producers. BP has been regarded as at the better end of the sector in recognising climate change as an issue but faces the same competitive and structural pressures above from what is a disruptive transition due to disruptive alternative technologies.
- 5.10 With regard to BP, LAPFF has noted some rowing back from their 2023 carbon reduction targets. Although BP has made some commitment to investment in renewables, and is stating the supply of power for electric vehicles is a growth area, it does appear that the company has substantial threats to its business model regarding the scope of no-carbon products that would fully replace the scale of the fossil fuel business, and that expectation of more cash returns to shareholders should be more clearly set out.
- 5.11 A meeting with the Shell Chair is pending. LAPFF continues to challenge whether Carbon Capture and Storage can be made to work as a line of business, given that the costs involved make it a last resort if cheaper substitute energy sources are not possible.

Airlines

- 5.12 Airlines account for approximately 2% of global CO2 emissions. A paper on the decarbonisation of aviation is being produced for the LAPFF membership. Ahead of this, LAPFF met in September 2024 with Ryanair.

5.13 The meeting was encouraging and reinforced our research. There were no areas for disagreement or potential disagreement. 99% of Ryanair's emissions are from the fuel. The Ryanair team were knowledgeable on the methods and options for decarbonisation with a lot of detailed information on savings and targets and UK and EU requirements and targets. Ryanair has a target of 12% use of Sustainable Aviation Fuel (SAF) by 2030, which compares to a UK Government target of 10% and EU target of 5%. That is in addition to emissions reduction from newer aircraft and engines, which are more fuel efficient.

5.14 It is envisaged that hydrogen-based fuels won't be around until after 2050 as that requires a redesigning of aircraft, given that although having much less mass per unit of energy, there is the problem that hydrogen requires much larger volume than kerosine which are larger than the wing space which is where fuel currently resides. LAPFF is planning to engage with other airlines and with Shell and BP, which are significant aircraft fuel suppliers.

6.0 Stakeholder and ward member consultation and engagement

6.1 There are no direct considerations arising out of this report.

7.0 Financial Considerations

7.1 There are no direct financial considerations arising out of this report.

8.0 Legal Considerations

8.1 There are no legal considerations arising out of this report.

9.0 Equality, Diversity & Inclusion (EDI) Considerations

9.1 There are no equality considerations arising out of this report.

10.0 Climate Change and Environmental Considerations

10.1 The Brent Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.

11.0 Human Resources/Property Considerations (if appropriate)

11.1 There are no HR or property considerations arising out this report.

12.0 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources



Quarterly
Engagement
Report

July-September
2024

Local
Authority
Pension
Fund
Forum

BP, Tobacco Industry, Water Stewardship

ENGAGEMENTS



CLIMATE

SUPPLY SIDE

BP & Shell

Objective: During continued engagement with Shell and BP, LAPFF's approach has remained to test oil and gas companies beyond claims of decarbonisation based on existing business models to challenge the viability of the current business. This expectation, based on LAPFF policy, is that the demand for hydrocarbons will 1) reduce in aggregate terms; and 2) that demand will be met by lowest cost producers.

BP has been regarded as at the better end of the sector in recognising climate change as an issue but faces the same competitive and structural pressures

above from what is a disruptive transition due to disruptive alternative technologies. The war in Ukraine has increased governments' focus on less reliance on fossil fuels on energy security and price volatility grounds.

What seems to be an inevitable shrinkage in the sector, not matched by growth from elsewhere supports the argument for more cash returns - not buybacks - to shareholders instead.

Achieved Shell: From meeting the then new Chair of Shell in 2023, LAPFF believes that the position holds that the company is better run from the top, as the Chair has a more realistic grasp of the issues at stake regarding decarbonisation and is a plainer communicator and more realistic.

As an example, there is less emphasis on "nature based solutions" (i.e. planting trees) as the IPCC regards that as necessary for hard to abate sectors, not fossil fuel companies.

LAPFF has previously questioned the extent to which its climate change strategy has been sufficiently integrated into business planning and financing. LAPFF was therefore pleased that there has been restructuring and the energy transition work and corporate strategy now reports to the CFO.

Shell has said that it cannot make the investment case for renewables. That is not in itself unreasonable but does support the argument for more cash returns to shareholders instead.

Achieved BP: With regards to BP, LAPFF has noted some rowing back from their 2023 carbon reduction targets. Although BP has made some commitment to investment in renewables, and is stating the supply of power for electric vehicles is a growth area, it does appear that the company has substantial threats to its business model regarding the scope of no-carbon products that would fully replace the scale of the fossil fuel business, and that expectation of more cash returns to shareholders should be more clearly set out.

To understand the company's approach, this quarter LAPFF met with the company's new CEO, Murray Auchincloss. In what was a useful and informative discussion, the company outlined how it was seeking to transition the business, and the scope for scaling up revenues from hydrogen, wind power, biofuels and electric vehicles. The company set out major projects it was seeking to undertake, including a hydrogen and CCS hub in Teeside. The company also discussed how it planned to fund investment in transition initiatives and manage associated financial risks. On the issue of targets, discussion included the pace of the transition, including moving in line with national expectations.

In Progress Shell: A meeting with the Shell Chair is pending. LAPFF continues to challenge whether Carbon Capture and Storage can be made to work as a line of business, given that the costs involved make it a last resort if cheaper substitute energy sources are

ENGAGEMENTS



Cooling towers at Drax Power Station near Selby, North Yorkshire.

not possible. Developments in aviation fuels and biofuels need to be examined in more detail, particularly as the mode of synthetic aviation fuel Shell refers to is to take CO₂ resulting from combustion by carbon capture from elsewhere and converting it – by an energy intensive process – into a hydrocarbon. That is not a contribution to net zero.

That is merely using the same emission twice, whilst still resulting in an emission.

CCS has been given prominence for, inter alia, gas (methane) for power, hydrogen for home heating, hydrogen for ammonia production and hydrogen for steel making. All of these have non-fossil hydrogen alternatives. It should be noted that CCS for coal was heavily promoted as a way of maintaining coal demand, but never materialised with the phase out of coal on economic as well as emissions grounds. There is the same risk with gas.

In Progress BP: BP has had less emphasis than Shell on Carbon Capture and Storage as a line of business. Developments in aviation fuels and biofuels need to be examined in more

detail, BP's annual report suggests a different approach to Shell, being based not on fossil fuel derived carbon, but bio-ethanol, fats and oils. BP is also placing more emphasis on electric vehicle charging.

In our meeting, the company set out its views on the demand for low carbon energy, EV charging and biofuels. While information was provided about how it expects to pivot towards lower-carbon and renewable energy in the medium term, LAPFF will continue to seek to better understand both the scale of such revenues over the longer term and the longer-term impacts for investors of any attempts to transition from an “oil and gas” company to an “energy” company.

Drax

Objective: Drax's Yorkshire power station is the UK's largest single emitter of carbon dioxide. LAPFF has focused for several years, from its own research as well as public coverage of the company, on Drax's business model which faces considerable challenges. These

challenges include the continuation of government subsidy which is in excess of £500m a year and is more than all of the profit. That subsidy runs out in 2027.

But added to that is, so far not approved by HM Government, the proposition to add carbon capture and storage to Drax for what is called BioEnergy Carbon Capture and Storage (BECCS) which would require further subsidy, locked in for the duration of at least 25 years.

On the environmental side there are significant issues with claims of net zero as well as continuity of supply of imported wood pellets.

Achieved: LAPFF had identified that Drax has been cutting down rare forest wood in Canada, and also reported that during the energy crisis that Drax had closed a plant, as it was more profitable to sell the pellets than to use the pellets for power generation – thus casting doubt on Drax's role in energy security.

The BBC reported in 2022 that Drax was sourcing pellets from whole trees, not waste wood and sawdust from primary forests in Canada. Then the

ENGAGEMENTS

BBC identified that Drax took more than 40,000 tonnes of wood from so-called “old-growth” forests in 2023. Old-growth is some of the oldest forest which the provincial government says provides “unique habitats, structures and ecological functions”.

The BBC claims matched LAPFF research, but the company defended the claims from the BBC publicly. However, in August 2024 Drax agreed to settle to the sum of £25m with Ofgem its regulator after its investigation which concluded,

“there was an absence of adequate data governance and controls in place that had contributed to: (i) Drax misreporting data in relation to their annual profiling submission to Ofgem for compliance period 1 April 2021 to 31 March 2022 (“CP20”); and (ii) Drax being unable to provide Ofgem with sufficient evidence demonstrating how its CP20 annual profiling submission had been arrived at and unable to support the reliability of its profiling data reporting of forestry type and sawlogs for Canadian consignments for that same period...”

“Ofgem takes the importance of accurate data reporting very seriously, in this case by a company of significant size and a major scheme participant. Accurate information is important for a number of reasons, including helping to improve statistics on biomass use and to monitor the effects of biomass use on the areas of origin. This information is intended to enable the Secretary of State to understand and monitor the extent to which both primary forests and sawlogs are used in woody biomass, which has consequences for carbon emissions and biodiversity.”

LAPFF has also since noted that that the video on the Drax website from Drax’s CEO rebutting the BBC position is now a dead-link.

LAPFF’s original research also identified that the “catchment area” surveys that Drax cites as showing that trees grow to match emissions by offset absorption don’t actually do that. The surveys merely ask the question whether there has been a reduction in absorption capacity. That question doesn’t address the needed increase in absorption capacity.

The one catchment area report that says that there may have been an increase in absorption capacity put that down to replacing indigenous hardwood with

(mono-culture) pine. That is an ecological problem for biodiversity.

Also of note is this statement from the new Secretary of State for Energy and Net Zero, Ed Miliband made on Monday 8th July 2024.

“In an unstable world, the only way to guarantee our energy security and cut bills permanently is to speed up the transition away from fossil fuels and towards homegrown clean energy.”

Given that Drax supplies wood pellets from overseas, and UK forests do not have the capacity to make any appreciable alternative supply, there must be a problem with the term “homegrown”.

In Progress: The meetings offered with the CFO and the senior SID following questions at the last AGM are pending.

The issues LAPFF has raised are central to the business model.

The argument for the government to continue to support Drax is the mantra that “the UK can’t be carbon net-zero by 2050 without it” thus Drax with carbon capture and storage would result in “negative emissions”. The problem with that is several fold:

- 1) security of supply of pellets
- 2) ecological issues
- 3) water supply as CCS is very water intensive
- 4) ammonia is a toxic chemical used in large quantities in the process
- 5) the cost of government support for CCS on top of the existing subsidy, which has an effect on electricity

prices – which as well as affecting domestic consumers also raises the cost of power for electricity intensive new industries e.g. steel from electric arc furnaces

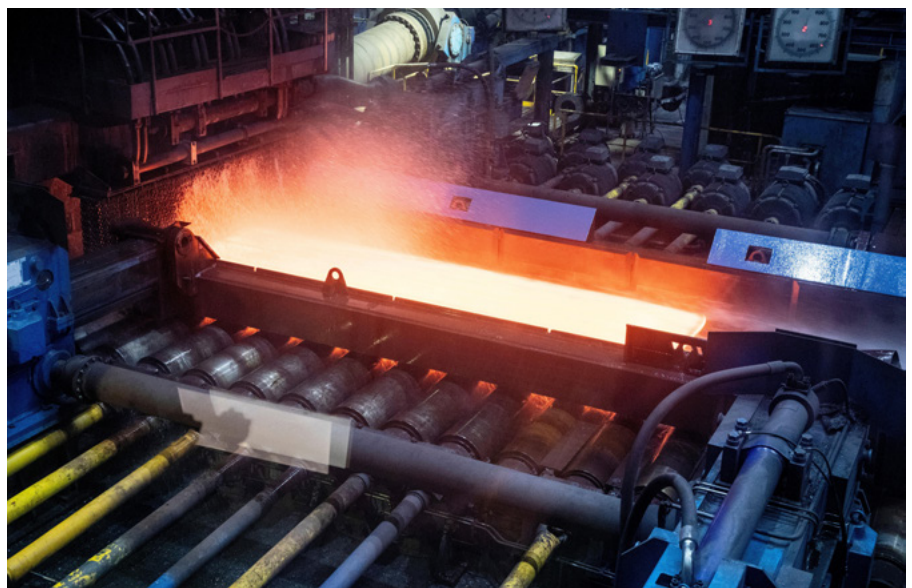
6) the fact that all that CCS would do – if it were to work – would be to remove the carbon dioxide from burning the woody biomass that wouldn’t have been emitted if the wood were not burned. Drax with CCS would only be “negative” if counteracting tree grow due to the cutting of trees also matched emissions, which due to the long growth cycle is not the case something that is not currently proven.

7) the combination of the high subsidy for a putative national target, raises the question, “if Drax is so important why not nationalise it?” That is relevant as Drax has been prone to brinkmanship to lobby for continuing subsidy.

Steel -SSAB & ThyssenKrupp

Objective: Steel is a major contributor to global emissions and an industry with emerging green technologies. LAPFF has engaged the sector on transition plans and building on this sought to engage companies on the developing alternatives to coal/coke-based steel production.

SSAB is an international steel producer headquartered in Sweden. Sweden itself has large iron ore deposits in the Kiruna region north of the Arctic Circle. ThyssenKrupp is a large engineering company based in Essen,



Fossil-free steel is manufactured at the ironworks at SSAB in Oxelosund, Sweden

ENGAGEMENTS

Germany. It manufactures steel based products, it is also a steel producer currently producing virgin steel from iron ore, with none from recycling.

LAPFF's focus was therefore on their transition plans to achieving net zero. Ahead of the meetings LAPFF noted that SSAB has a low Carbon Disclosure Project (CDP) rating of D, and ThyssenKrupp, a rating of A.

Achieved: LAPFF has previously identified in a report on steel to a LAPFF Business Meeting that SSAB had innovative "green steel" production in the form of new steel produced not by blast furnaces but direct reduction of iron using hydrogen from electrolysis. The power for that coming from hydroelectric power in northern Sweden. LAPFF had identified that green steel has the potential to be disruptive technology on the basis of cost and the fact that hydrocarbons do not play a role in the process

LAPFF met with SSAB in September 2024 where it heard of not only the commitment to green steel being called "HyBrit" but also recycled steel for which the melting is done using an electric arc furnace with fossil fuel free electricity. That is in fact more flexible than blast furnaces as blast furnaces have a fixed production capacity, whereas the output from electric arc can be matched to demand and quality required.

It is apparent that SSAB is disappointed with its CPD rating and research prior to and discussions in the meeting leads to an agreement on that. It seems that other steel companies are disclosing less practically, and less strategically, credible routes to decarbonisation, which rely on unproven technology for maintaining blast furnaces with CCS or hydrogen from CCS.

LAPFF also met with ThyssenKrupp in September 2024. The company currently produces 11.5MT of steel per year, but a strategic change will reduce that to 9MT. The company plans to produce steel by Direct Reduction of Iron (DRI) as "green steel" from green hydrogen, which will be sourced externally, principally from Rotterdam by pipes as Germany has relatively little capacity for home production. The plant will replace more than one blast furnace. Current production is 0.15MT and the plan is for that to rise to 0.5MT.

In the initial stages the DRI will run from unabated methane and will then switch to green hydrogen. Potential future supplies of green hydrogen will be from the Middle East and Australia. One potential method of carrying hydrogen is by converting to ammonia and then back again. Ore is sourced mainly from Brazil and Australia.

There are not plans to produce recycled steel, and there are no plans to use CCS dependent technology.

In Progress: More steel company engagements are planned. LAPFF intends to explore further why less strategically credible (i.e. fossil fuel dependent) routes to net zero seem to achieve a higher CDP rating than SSAB, reverting to SSAB and ThyssenKrupp if necessary and appropriate. There are long-term geographic issues about the price of green steel if production nearer the ore and energy sources will ultimately give rise to lowest cost production.

Asia Research and Engagement

Objective: LAPFF has worked with Asia Research and Engagement (ARE) for several years. ARE is facilitating collaboration between investors seeking to accelerate the shift towards sustainable energy in Asia. The initial focus of the engagements has been reducing the carbon risks facing financial institutions and coal-exposed power companies.

Achieved: LAPFF met with Kasikorn Bank, one of the major financial institutions in Thailand, to discuss progress on its approach to sustainable finance. The company has made progress in a number of areas, notably in its goals regarding its levels of 'sustainable financing'. The company has not disclosed a breakdown of allocations within this, such as how much it invests in climate solutions and transition technologies. However, it has made positive headway in its aspirations and overall progress. Investors also looked at the company's exposure to physical climate risks, particularly flooding and rising sea levels, with large parts of Thailand at potential risk in different climate change scenarios.

In Progress: There is a pipeline of engagement calls, many of which are companies that LAPFF has met through the initiative before. We hope to see progress being made and will continue encourage companies to further reduce the risks they face. These engagement calls continue to be a valuable avenue to engaging companies with material-climate risks and who are essential to the energy transition in Asia.

DEMAND SIDE

Airlines

Objective: Airlines account for approximately 2% of global CO₂ emissions. A paper on the decarbonisation of aviation is being produced for the LAPFF membership. Ahead of that LAPFF met in September 2024 with Ryanair.

Achieved: The meeting was encouraging and reinforced our research. There were no areas for disagreement or potential disagreement. 99% of Ryanair's emissions are from the fuel. The Ryanair team were knowledgeable on the methods and options for decarbonisation with a lot of detailed information on savings and targets and UK and EU requirements and targets. Ryanair has a target of 12% use of Sustainable Aviation Fuel (SAF) by 2030, which compares to a UK Government target of 10% and EU target of 5%. That is in addition to emissions reduction from newer aircraft and engines, which are more fuel efficient.

Biomass derived SAF has some limits around land-use and other crop displacement.

It is envisaged that hydrogen-based fuels won't be around until after 2050 as that requires a redesigning of aircraft, given that although having much less mass per unit of energy, there is the problem that hydrogen requires much larger volume than kerosene which are larger than the wing space which is where fuel currently resides.

The International Air Transport Association (IATA) has chosen Trinity College Dublin as the certification body for all new SAF pathways.

ENGAGEMENTS

In Progress: LAPFF is planning to engage with other airlines and with Shell and BP, which are significant aircraft fuel suppliers.

CLIMATE TRANSITION PLANS

Objective: Due to the scale of climate risks, LAPFF expects companies to outline credible transition plans, which include Paris-aligned targets and detailed strategies for reaching those goals. To enable investors to make informed investment and stewardship decisions these plans should be disclosed with material climate-related impacts included within financial statements.

LAPFF also considers it good practice for companies to provide shareholders with the opportunity to express their views on the credibility of the plans through a specific AGM vote. A specific vote on a company's transition plan enables shareholders to signal support for the decarbonisation strategy and any associated capital expenditure requirements. Such a vote also enables shareholders to indicate their confidence in the plan through a dedicated vote rather than directing it at different resolutions on the ballot.

To encourage companies to provide such a vote to shareholders, LAPFF has organised collaborative letters to companies. Research for LAPFF suggests that around a fifth of FTSE 100 companies have provided such a vote in the past three years. As such, LAPFF continues to seek to encourage additional companies to provide 'say on climate' votes to its shareholders.

Achieved: To achieve that ambition of wider support for transition plan votes, LAPFF alongside CCLA organised a letter to FTSE 100 companies that have not provided such a vote over the past three years. The letter outlined the case for companies providing shareholders the opportunity to have a say on the company transition plan. It noted that emerging good practice was for plans to be updated every three years, and in line with that expected a vote on the plan at least every

three years.

Over the quarter, LAPFF sought to gain wider investor support for the letter which was then sent to companies in September. LAPFF saw increased support for the letter from last year with 41 investors signing up to the letter. In total, the investors represented £1.6 trillion in AUM demonstrating the scale of support. Alongside sending the letter to the companies, the letter was also press released to raise awareness of the issue and gain wider support.

In progress: LAPFF asked companies to respond to the letter and will be tracking those responses. LAPFF will also scrutinising AGM agendas to see whether more say on climate votes are provided over the coming year. In addition, LAPFF will be continuing to place pressure on issuers to provide their shareholders the opportunity to voice their opinions through a dedicated vote on what is a major risk and concern for responsible investors.

HARD TO ABATE SECTORS

Cement - CRH

Objective: Cement was agreed as an area of focus by LAPFF members at the business meeting in July 2024. CRH is a building supplies and cement producer and the majority of CRH's sales are cement. Cement accounts for approximately 8% of global greenhouse gas emissions. Emissions come from 1) a non-fossil fuel source, the chemical decomposition of calcium carbonate in cement manufacturing 2) the heat needed for cement production in kilns. Cement is a difficult to abate sector and the carbon emissions from the calcium carbonate will require some form of carbon capture and storage ('CCS').

Achieved: LAPFF met with CRH to discuss its actions towards achieving net zero. The meeting was encouraging. CRH has already been benefiting from cost savings and opportunity from the transition, such as cheaper electricity for kilns and other energy dependent processes, and also 'recycling' roads in

renewing roads. The company's plans are thoughtful and backed by actions and implementation.

As of 2024 there is no working model of CCS on cement, though Heidelberg cement may have a working site by the end of 2024. CRH's actions to decide on investment in Carbon Capture and Storage won't affect 2030 targets as the working assumption is that CCS won't be used before that date. Actions will require forms of regulation to both mandate the use of 'carbon-neutral cement' as well as restricting cement that had been produced traditionally from competing unfairly, or by passing it off as carbon-neutral when it isn't.

In Progress: LAPFF is planning to engage with other cement producers on a comparative basis.

ENVIRONMENT

TOBACCO COMPANIES & PLASTICS

Objective: There is also increasing global pressure for companies to address single-use plastics in their product ranges. This affects tobacco companies as cigarette butts, which are largely made of a plastic, are the most littered item in the world with an estimated 4.5 trillion cigarette butts being thrown away each year. LAPFF's aim in these engagements was to understand how companies were assessing risk in these areas, and modelling for potential needs to adopt their business model to a changing regulatory environment, as well as how they were taking action to look for plastic alternatives.

Achieved: LAPFF met Philip Morris, Imperial Brands, and Japan Tobacco Inc. this quarter to discuss these issues. It is clear that the tobacco industry has not yet found a suitable alternative to the plastic filters used in cigarettes. Several companies describe this in their reports as challenging, largely due to consumer acceptance, but also because of the implications for emissions and the costs associated with R&D.

ENGAGEMENTS



Polluted Water sign at River Mole, Surrey, UK

While tobacco products remain a key part of these companies' business models, there is a drive to create what are often referred to as 'reduced risk products' or 'next generation products', which broadly encompasses heated tobacco products and various types of vapes. As companies seek to expand their business into other areas, the increased prevalence of vapes in their product mixes raises additional concerns around plastics and the disposal of batteries in single-use vapes. This will require a more circular economy, which all three companies are adopting in slightly different ways. Whilst there is work being done by the tobacco industry, there is a long way to go.

Conversations also followed how tobacco companies faced increasing global regulatory pressures on smoking and vaping, including proposed legislation like the UK Tobacco and Vapes Bill, which if pursued, would mean anyone born after 1 January 2009 can never legally be sold tobacco products.

In Progress: LAPFF is set to meet British American Tobacco in October to discuss these same issues and will be monitoring progress by the companies in these areas as regulation develops.

WATER STEWARDSHIP

Constellation Brands

Objective: LAPFF is a founding member of the Valuing Water Finance Initiative which engages companies on their water impacts and seeks to reduce their exposure to material water-related risks. As part of the initiative, LAPFF is the lead investor for Constellation Brands. LAPFF has been asking the company to set time-bound, science or contextual goals, targets or policies to address impacts on water availability in water scarce areas across the sections of the value chain for which water is most material.

Achieved: In January 2024 LAPFF member Greater Manchester Pension Fund (GMPF) filed a resolution ahead of Constellation Brands AGM. It requested that Constellation Brands issue a report assessing the feasibility and practicality of establishing time-bound, quantitative goals to reduce supply chain water usage to mitigate value chain risks related to global water scarcity in high-risk areas. During Q2 LAPFF issued a voting alert recommending members support the resolution. The alert highlighted the need for investors to be able to assess the extent to which companies, for which water is material, demonstrate sustainable practices. Constellation Brands AGM was held in July during which over 35% of votes represented supported the resolution, despite the Board's opposition to the proposal. Given 2024 is the first year a resolution of this kind has been filed at Constellation Brands, the result is significant and demonstrates the appetite among investors for the company to improve its approach to managing water-related risks.

ENGAGEMENTS

In Progress: It is LAPFF's view that Constellation Brands remains acutely exposed to water-related risk within its supply chain, potentially limiting its ability to protect shareholder value. While Constellation Brands has committed to and worked to manage their water-related risks in direct operations, they have been unable to demonstrate they are managing the same risks across the supply chain which could lead to increased input prices and disruptions. LAPFF will re-engage with the company during Q4 with a view to leveraging momentum off the back of the shareholder proposal.

UK Water Utility Companies

Objective: Since 2022, LAPFF has engaged with water utility companies to address ongoing concerns about the pollution of rivers and coastal areas caused by storm overflows through Combined Sewer Overflows (CSOs). CSOs act as relief valves during periods of heavy rainfall, preventing sewage from backing up into homes by releasing excess stormwater and wastewater into the environment.

Under the UK government's 2050 plans, the number of CSO overflow incidents is expected to decrease gradually through increased investment. As a highly regulated sector, water companies must submit their investment plans for review every five years to the Water Services Regulation Authority (Ofwat) for review and approval. Achieving environmental objectives within these five year plans has both reputational and financial implications, as companies face rewards or penalties based on their performance.

Through its engagements, LAPFF aims to ensure that water utilities companies are making progress in reducing overflow incidents while ensuring that upcoming five year business plans are cost efficient and include both environmental and social commitments. This year's engagements reflect on data from 2023, a year that saw an increase in overflow incidents due to significantly wetter weather in the UK. LAPFF seeks to understand how companies are interpreting the impact of this wet year and whether they remain on track to meet the target of reducing overflows to an average of no more than 20 incidents per year by 2025.

Achieved: In the quarter LAPFF met the chair of Severn Trent Water (STW). STW is one of the largest water utility companies in the UK, serving over 4.5 million households and businesses across the Midlands and parts of Wales.

This was the third meeting that LAPFF has had with Severn Trent's chair and the Forum welcomed the ongoing dialogue with the company on the issue. The meeting took place just after Ofwat released draft determinations for the next regulatory period (2025-2030), outlining proposed price controls and investment allowances for water companies. To meet the expected increase in capital expenditure to address, amongst other things, pollution from storm overflows water companies are seeking to increase water prices. STW plans were well received by Ofwat even if the regulator reduced the company's proposed price increase. Despite significant sector challenges, they remain committed to meeting their sewer overflow targets. Progress is being made towards addressing Combined Sewer Overflow (CSO) spills, including network-wide CSO monitoring, nature-based solutions, and innovations such as the company's "Zero Spills Hub".

In Progress: Despite progress being made, water companies continue to have some way to go to reduce overflows and reduce the regulatory and reputational risks they face on the issue. LAPFF will therefore continue to engage with water utility companies with the focus on ensuring progress towards their targets and that the additional investment is being used cost-efficiently. LAPFF will also be following the regulator's final determinations.

NOVO NORDISK & NA100

Objective: Nature Action 100 (NA100) seeks to mobilise investors to drive corporate action in addressing biodiversity loss and nature-related risks. Its primary goal is to ensure companies integrate nature into their strategies, reduce negative impacts on ecosystems, and contribute to global biodiversity targets through enhanced accountability and transparency.

Achieved: One of the companies that LAPFF is engaging through the NA100 initiative is the Danish Pharmaceutical company Novo Nordisk. Pharmaceutical companies have been identified by the initiative as a key sector to engage. Pharmaceutical companies face a range of physical and transition risks, including species loss affecting the ability of companies to develop new drugs.

The investor group met a representative from investor relations. The representative answered the investor questions but did not engage in detailed discussion. Key points covered included the company's use of the Science-Based Targets Network, and timelines for assessments being made public. Whilst detail in the conversation was limited, the company appeared to be making sizable considerations about how to address its impact and dependencies on nature.

In Progress: An aim of the engagement is to meet with companies involved at least twice a year. Whilst LAPFF and other investors have been discussing indicators of NA100's benchmark in company engagements, the benchmark itself, which will score companies across its six key pillars, is set to be published at COP16 in late October 2024. Companies have had a chance to respond with further information to this benchmark. Once published, it will provide industry comparisons, information on potential areas of best practice and a further basis for engagement.

SOCIAL FACTORS

ZERO HOUR CONTRACTS

Objective: LAPFF has initiated a series of engagements focused on the use and potential elimination of zero-hours contracts (ZHCs) in the UK. The Forum is seeking to engage with companies that utilize ZHCs as part of their core operations to understand the extent of their use, the potential impacts of a ban on business operations, and any steps being taken to mitigate a ban and/or associated risks. Where applicable, the Forum may also seek further disclosure on ZHC exposure to help investors better assess the potential effects on specific

ENGAGEMENT



A member of staff at Hollywood Bowl in Thurrock, Essex

companies or sectors.

There are estimated to be around 1 million workers on ZHC's in the UK. Women and people from ethnic minority backgrounds are more likely to be employed under this type of contract, and the very large majority of workers on them are in non-supervisory roles. The use of ZHCs is clustered in several sectors such as hospitality, arts, entertainment and leisure, health and social care, transport and storage, wholesale and retail.

Prior to the July UK general election, the Labour Party had committed to ban zero-hours contracts in its Employment Rights Green Paper. Following the election, the government has promised to introduce The Employment Rights Bill which will prohibit ZHCs. Therefore, it is conceivable that some form of ban or restrictions placed on the use of ZHCs might be enacted in the coming years, which might have a significant impact on certain companies or sectors.

Achieved: During Q3 LAPFF received written responses from both Compass Group and Hollywood Bowl. Mitie Group agreed to a meeting with LAPFF vice-Chair John Gray. Frasers Group refused LAPFF's invitation to engage and did not provide its position as it relates to Zero Hour Contracts.

In response to the question of exposure, Compass Group stated its

use of ZHCs is limited to only specific areas, such as hospitality and sporting events, where flexibility is beneficial to operations. The company further elaborated that its flexible working policy ensures that employees on ZHCs can request fixed-hour contracts, and all ZHC employees have full employment contracts with the same terms and benefits as the broader workforce. The company believes its approach aligns with best practices and would not be impacted by the Labour party's proposed changes.

Hollywood Bowl outlined that a small proportion of its hourly workforce, primarily university students, are on zero-hour contracts which will be phased out by September 2024 in favour of fixed-term contracts for those returning during holiday periods. The company is awaiting further government guidance on the proposed Employment Rights Bill 2024 before determining its broader approach. They remain open to further engagement with the Forum as the proposed UK Employment Rights Bill 2024 develops.

In Progress: LAPFF's policy is that, on balance, there is no clear evidence that business models based on zero-hour contracts and precarious work outperform business models with different and more inclusive human capital strategies. In that context, LAPFF will continue to monitor developments relating to Employment Rights Bill and continue to engage investee companies regarding their exposure to the practice.

CAHRA

Objective: LAPFF met with Maersk earlier in 2024 amidst increasing scale and intensity of armed global conflicts, noting that Maersk had operations in the Red Sea and had faced attacks stemming from the escalation of conflict in Gaza. LAPFF aimed to explore how the company was approaching heightened human rights due diligence (hHRDD).

Achieved: LAPFF met with Maersk for a second time to discuss hHRDD and the company's approach to global conflict zones. Whilst the company was able to provide some specific examples of hHRDD in its operations, it was still unclear how it implemented an approach that incorporated this approach more widely across its entire operations where appropriate.

Alongside this engagement, LAPFF continued its participation in the Investor Alliance for Human Rights (IAHR) pilot project on conflict-affected and high-risk areas (CAHRAs). The initiative is: "engaging a delimited set of portfolio companies in the technology and renewable energy sectors with exposure to risks in CAHRAs."

In Progress: LAPFF will consider following up with Maersk to discuss hHRDD more widely. LAPFF continues to engage as a supporting investor through IAHR's pilot project to inform engagement with other companies on CAHRA.

NIKE VOTING ALERT

Nike faced five shareholder resolutions at its September 2024 AGM, with one on a 'Supply Chain Management Report', and another regarding 'Work-driven Social Responsibility'. These come amidst ongoing concerns around Nike's approach to addressing significant risks such as forced labour, wage theft, and other human rights violations within its supply chain. These concerns come as the push for stronger transparency and accountability is driven by new regulatory frameworks such as the EU's Corporate Sustainability Due Diligence Directive, which will require companies to take a more proactive role in managing human rights in their supply chains.

ENGAGEMENT

LAPFF recommended a vote in favour of both resolutions given alignment with the Forum's principles of engagement, aiming to enhance accountability, transparency, and the ethical management of human rights risks. The resolutions called for more detailed assessments and disclosures on supply chain practices and the adoption of Worker-Driven Social Responsibility (WSR) principles, which emphasise stronger, worker-centered mechanisms for addressing labour violations. LAPFF believes that resolutions such as these demonstrate an investor voice asking that Nike ensure its policies are not only compliant with international standards but also effectively safeguard workers' rights and reduce reputational, legal, and operational risks.

GOVERNANCE

EXECUTIVE REMUNERATION

Objective: During Q3, LAPFF requested engagement with UK-listed companies at which significant dissent to remuneration was observed during the 2024 proxy season. The objective of the engagements was to understand what was driving the dissent and steps being taken by the company to address shareholder concerns.

Achieved: LAPFF held meetings with AstraZeneca, Pearson and Synthomer to discuss the high levels of shareholder dissatisfaction. This included a meeting with the Chair of AstraZeneca, Michel Demaré, to discuss the company's approach to Executive compensation following opposition of 35.6% to the remuneration report at the 2024 AGM. The CEO of AstraZeneca was the highest paid in the FTSE100 in 2024, receiving over £18 million in total compensation. Mr Demaré outlined that the company benchmarked pay against a US peer group, a market in which the quantum of pay is comparatively high versus the UK. Mr Demaré further highlighted the value created for shareholders by AstraZeneca over recent years. In response, LAPFF outlined expectations of its members as it relates to excessive quantum and observed that a focus on the development

of talent internally for the purpose of succession planning could alleviate pressures on the granting of excessive awards for the purpose of retention.

LAPFF also met with Sherry Coutu, Chair of the Remuneration Committee of the educational publishing company Pearson. The company had received an opposition vote of 30.2% to the remuneration report during its AGM earlier this year. Similarly to AstraZeneca, the company outlined that a relatively high percentage of its revenue derives from the US and higher quantum was necessary to retain and motivate talent. LAPFF raised concerns over the apparent excessive nature of a buyout award made for new CEO Omar Abbosh which totalled over £13 million. The award was granted to replace shares Mr Abbosh lost as a result of leaving the employment of Microsoft. LAPFF also raised concerns over the recent increase in maximum variable pay levels from 550% to 750% of the base salary.

Lastly, LAPFF met with the Chair of Synthomer, Caroline Johnstone, alongside Remuneration Committee Chair, Holly Van Deursen. The company had received 44.6% opposition to its remuneration report during its 2024 AGM. The primary driver behind the dissent was the apparent lack of alignment between the rate of vesting of CEO awards with recent shareholder experience, this in part a result of non-financial performance criteria vesting at 100%. LAPFF further raised concerns over the use of EBITDA as a performance metric in both the annual and long-term incentive scheme, which provided the opportunity for the CEO to be paid twice for the same performance.

In Progress: LAPFF has further calls scheduled with companies at which high levels of investor dissent was recorded during the 2024 proxy season, which will be undertaken during Q4.

HOUSEBUILDERS

Objective: LAPFF continues to engage the largest UK housebuilders on their climate transition strategies. In general, half of the industry's current GHG emissions are from homes in use and the other half are from suppliers (including diesel vehicles and cement). The engagements seek to ensure plans

are in place for companies to move to net zero homes, have Paris-aligned transition plans and targets, and ensure they are working with suppliers to reduce emissions, and are prepared for new regulatory standards, such as the Future Homes Standard.

Achieved: In the quarter, LAPFF met the chair of Bellway to discuss its approach to decarbonisation. Bellway presented its "Better with Bellway" strategy, focusing on carbon reduction, including progress on Scope 1 and 2 emissions and plans to tackle Scope 3 emissions, which represent the majority of its carbon emissions. Discussions also covered Bellway's preparation for the Future Home Standard, efforts in heat pump installations, and zero-bill homes. Bellway emphasised its focus on sustainability, supply chain decarbonisation, and long-term emission reduction goals.

LAPFF met with the Chief Operating Officer and the Group Company Secretary at Vistry Group to discuss the company's sustainability initiatives, its approach to reducing Scope 3 emissions, planning and pilots to be ready for the Future Homes Standard. The COO highlighted Vistry's commitment to engaging with supply chain partners, increasing the use of timber frame construction, and ensuring compliance with evolving regulations. The meeting also discussed the challenges of meeting both housing targets and sustainability goals.

At both meetings LAPFF also raised the Competition and Markets Authority (CMA) investigation regarding the alleged sharing of commercially sensitive information.

In Progress: Across both engagements with Bellway and Vistry, LAPFF heard of progress in preparing for regulatory changes such as the Future Homes Standard and efforts to work with suppliers to reduce emissions across their value chains. LAPFF has plans to engage other housebuilders in the following quarter and longer term to ensure continued progress in meeting their decarbonisation objectives, especially in regard to their supply chain.

In the meeting with Vistry, LAPFF raised the fact that the company had a combined CEO and Chair role and will be following up on this.

ENGAGEMENT

CAPITAL MARKETS - LSEG

Objective: LAPFF has been concerned about the weakening of standards relating to new entrants to the London listed companies' market, which has included, Aston Martin Lagonda, NMC Health, Finabl and Quindell, the former of which has lost >90% of its value since listing, the other three being 100% losses.

The LAPFF Executive convened a 'Capital Markets Working Group' in the light of a recent concerted campaign by some interests to further weaken the standards of the listing regime. That campaign has included the Capital Markets Industry Taskforce, which is just that, it is a coalition of "fee earning" interests rather than shareholder interests, including issues of investor protection. It is chaired by the CEO of the London Stock Exchange.

Achieved: An open letter was sent in May 2024 to the Chair of London Stock Exchange Group, which asked for an evidence-based approach, and to supply the evidence for assertions made to date. Unfortunately, the response did not sufficiently address the issues.

Because of that LAPFF in August 2024 wrote back to the LSEG, making it clear that LAPFF expected the May letter to be answered properly, with evidence and accuracy. It was stressed that like any other listed company, LSEG should be making accurate representations to shareholders and the market about its own business.

LAPFF is aware of one large quality company that has delisted which doesn't accord with the narrative that over-regulation is a problem. What appears to be the problem is the unattractiveness of the FTSE Index, given that a few large companies dominate by market capitalisation ('top-heavy composition') which works against diversification – and of which oil and gas companies as well as financials are factors in that. For example, the largest oil and gas company in the S&P 500 index is Exxon which is 15th by market capitalisation, compared to the UK where Shell is 2nd and BP 5th.

In Progress: The Capital Markets Working Group plans to undertake a survey of LAPFF members on these

issues. The position of asset owners versus fund managers is particularly relevant to this area.

LAPFF PARTY CONFERENCE EVENTS

Each year LAPFF hosts fringe events at political party conferences. These meetings provide the opportunity to raise awareness of the work that LAPFF undertakes and engage with national politicians and other stakeholders.

At the Lib Dem conference, the focus of the meeting was: Investing in the green transition – what needs to change? The discussion was chaired by Gideon Amos MP, with Cllr Toby Simon speaking on behalf of LAPFF and outlining the work of the Forum. The other speakers included Wera Hobhouse MP, Energy and Climate Change Spokesperson, Baroness Shaista Sheehan, Director, Peers for the Planet Group and Cllr Martin Horwood, President Green Liberal Democrats. The discussion covered divestment, fiscal incentives and fossil fuel subsidies and offsetting.

At the Labour Party conference, the meeting was titled: A new deal for working people – how will investors react? LAPFF vice-chair Cllr John Gray outlined company engagement on employment standards and the importance of social factors to responsible investors. The other speakers were Liam Byrne MP, Chair of the Business and Trade Select Committee and Nicola Smith, Head of the Rights, International, Social and Economics department at the TUC. The discussion covered the importance of good workplace practices for creating growth, the role investors can play in driving better standards, the upcoming employment rights bill, directors' duties, fiduciary duties, company reporting and the government's pension investment review.

At the Conservative Party conference, the event was focused on: "Investing in the UK – can British pension funds do more?" The meeting was chaired by Charlotte Pickles, the director of the think tank Reform with LAPFF's chair, Cllr Doug McMurdo, outlining fiduciary duties and the importance of corporate



Top: Liberal Democrat leader, Ed Davey MP delivers his keynote speech on the last day of the conference

Middle: Conservative Party leadership candidate Kemi Badenoch seen at the conference

Bottom: Prime Minister Keir Starmer delivers his Party Conference speech at the Labour Party Conference 2024

governance standards when it comes to investing in public equities. The other speakers were Lord Dominic Johnson, former Minister for Investment and Karim Palant, Director of External Affairs, BVCA. The discussion covered the number of DC schemes, pension fund consolidation, and the government's pension investment review.

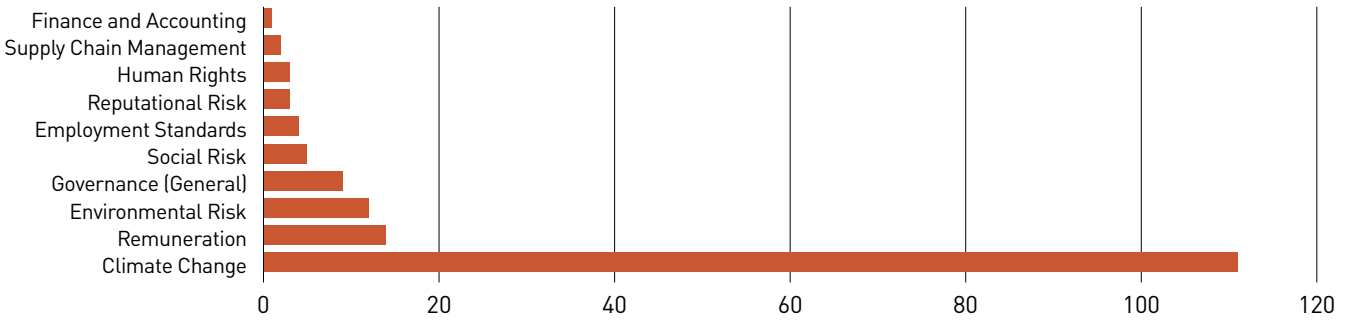
COMPANY PROGRESS REPORT

Excluding the 76 letters through the Climate Transition Plan (CTP) initiative, 42 Companies were engaged over the quarter. The table below shows those companies engaged outside the CTP initiative, but the graphs include those engagements.

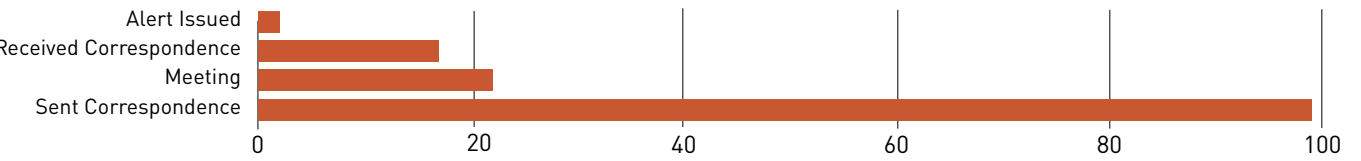
Company/Index	Activity	Topic	Outcome
ALIMENTATION COUCHE-TARD INC.	Alert Issued	Climate Change	
AP MOLLER - MAERSK AS	Meeting	Human Rights	Dialogue
ASTRAZENECA PLC	Meeting	Remuneration	No Improvement
BARRATT DEVELOPMENTS PLC	Sent Correspondence	Climate Change	Awaiting Response
BELLWAY PLC	Meeting	Climate Change	Small Improvement
BERKELEY GROUP HOLDINGS PLC	Sent Correspondence	Climate Change	Awaiting Response
BP PLC	Meeting	Climate Change	Dialogue
BURBERRY GROUP PLC	Meeting	Environmental Risk	Small Improvement
CEMEX SAB DE CV	Sent Correspondence	Environmental Risk	Awaiting Response
CIMB GROUP HOLDINGS BERHAD	Meeting	Climate Change	Moderate Improvement
CLARKSON PLC	Sent Correspondence	Remuneration	Awaiting Response
COMPASS GROUP PLC	Received Correspondence	Employment Standards	Dialogue
CRH PLC	Meeting	Climate Change	Change in Process
FRASERS GROUP PLC	Sent Correspondence	Employment Standards	Satisfactory Response
HEIDELBERG MATERIALS AG	Sent Correspondence	Environmental Risk	Awaiting Response
HOLLYWOOD BOWL GROUP PLC	Sent Correspondence	Employment Standards	Change in Process
HUANENG POWER INTERNATIONAL	Meeting	Climate Change	Moderate Improvement
HUNTING PLC	Sent Correspondence	Remuneration	Awaiting Response
IMPERIAL BRANDS PLC	Meeting	Environmental Risk	Dialogue
JAPAN TOBACCO INC	Meeting	Environmental Risk	Dialogue
KASIKORNBANK PCL	Meeting	Climate Change	Small Improvement
LOREAL SA	Meeting	Human Rights	Substantial Improvement
MITIE GROUP PLC	Meeting	Employment Standards	Dialogue
NIKE INC.	Alert Issued	Human Rights	
NOVO NORDISK A/S	Meeting	Environmental Risk	Dialogue
PEARSON PLC	Meeting	Remuneration	No Improvement
PERSIMMON PLC	Sent Correspondence	Climate Change	Awaiting Response
PHILIP MORRIS INTERNATIONAL INC.	Meeting	Environmental Risk	Small Improvement
PLUS500 LTD	Sent Correspondence	Remuneration	Awaiting Response
PURETECH HEALTH PLC	Sent Correspondence	Remuneration	Awaiting Response
RYANAIR HOLDINGS PLC	Meeting	Environmental Risk	Dialogue
SEVERN TRENT PLC	Meeting	Environmental Risk	Dialogue
SMITH & NEPHEW PLC	Sent Correspondence	Remuneration	Awaiting Response
SPIRENT COMMUNICATIONS PLC	Sent Correspondence	Remuneration	Awaiting Response
SSAB (SVENSKT STAL AB)	Meeting	Environmental Risk	Dialogue
STANDARD BANK	Sent Correspondence	Social Risk	Awaiting Response
SYNTHOMER PLC	Meeting	Remuneration	No Improvement
TAYLOR WIMPEY PLC	Sent Correspondence	Climate Change	Awaiting Response
TBC BANK GROUP PLC	Sent Correspondence	Remuneration	Awaiting Response
THYSSENKRUPP AG	Meeting	Environmental Risk	Dialogue
TRAVIS PERKINS PLC	Sent Correspondence	Remuneration	Awaiting Response
VISTRY GROUP PLC	Meeting	Climate Change	Small Improvement

ENGAGEMENT DATA

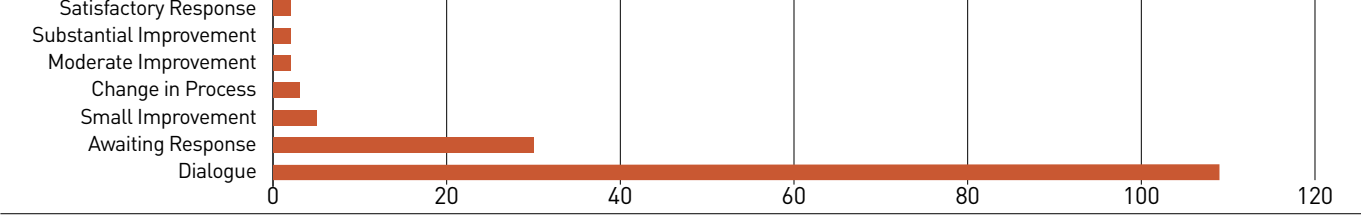
ENGAGEMENT TOPICS



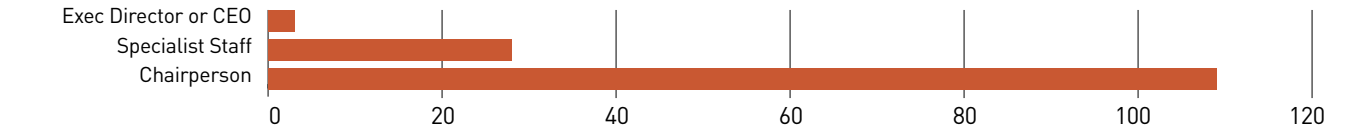
ACTIVITY



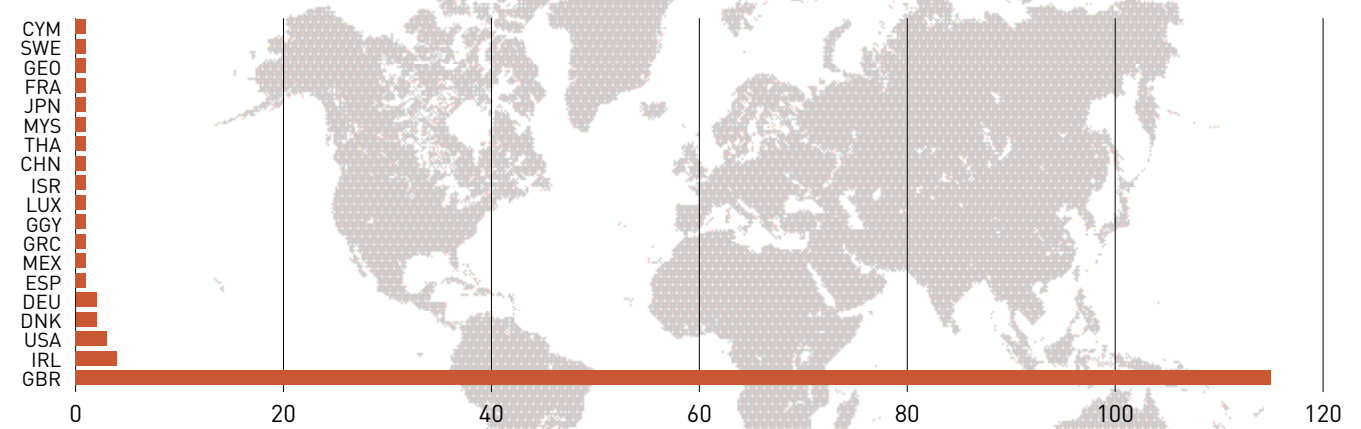
MEETING ENGAGEMENT OUTCOMES



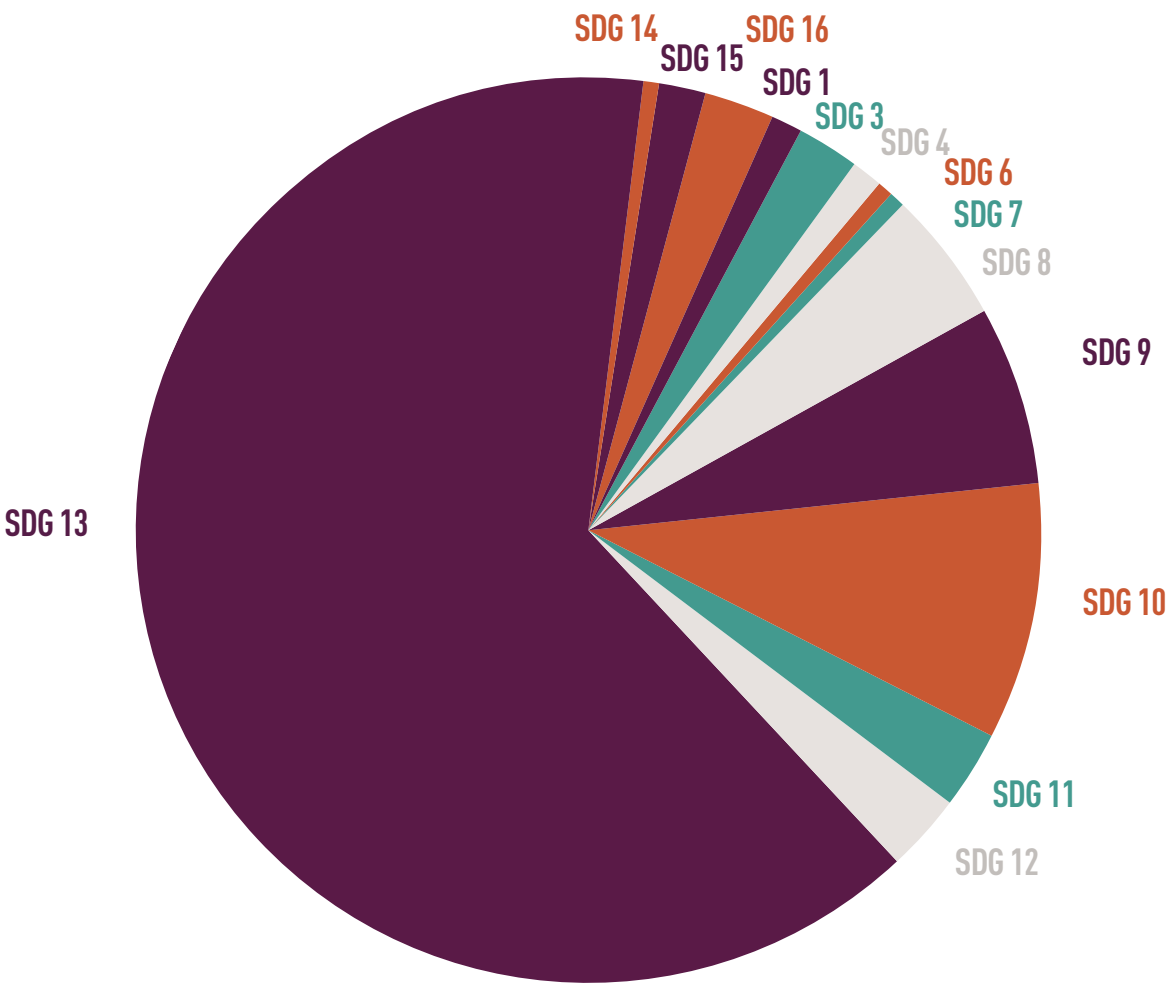
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA




LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	2
SDG 2: Zero Hunger	0
SDG 3: Good Health and Well-Being	4
SDG 4: Quality Education	2
SDG 5: Gender Equality	0
SDG 6: Clean Water and Sanitation	1
SDG 7: Affordable and Clean Energy	1
SDG 8: Decent Work and Economic Growth	8
SDG 9: Industry, Innovation, and Infrastructure	11
SDG 10: Reduced Inequalities	16
SDG 11: Sustainable Cities and Communities	5
SDG 12: Responsible Production and Consumption	5
SDG 13: Climate Action	111
SDG 14: Life Below Water	1
SDG 15: Life on Land	3
SDG 16: Peace, Justice, and Strong Institutions	4
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund	Environment Agency Pension Fund	Lincolnshire Pension Fund	Swansea Pension Fund
Barking and Dagenham Pension Fund	Essex Pension Fund	London Pension Fund Authority	Teesside Pension Fund
Barnet Pension Fund	Falkirk Pension Fund	Lothian Pension Fund	Tower Hamlets Pension Fund
Bedfordshire Pension Fund	Gloucestershire Pension Fund	Merseyside Pension Fund	Tyne and Wear Pension Fund
Berkshire Pension Fund	Greater Gwent Pension Fund	Merton Pension Fund	Waltham Forest Pension Fund
Bexley (London Borough of)	Greater Manchester Pension Fund	Newham Pension Fund	Wandsworth Borough Council Pension Fund
Brent (London Borough of)	Greenwich Pension Fund	Norfolk Pension Fund	Warwickshire Pension Fund
Cambridgeshire Pension Fund	Gwynedd Pension Fund	North East Scotland Pension Fund	West Midlands Pension Fund
Camden Pension Fund	Hackney Pension Fund	North Yorkshire Pension Fund	West Yorkshire Pension Fund
Cardiff & Glamorgan Pension Fund	Hammersmith and Fulham Pension Fund	Northamptonshire Pension Fund	Westminster Pension Fund
Cheshire Pension Fund	Haringey Pension Fund	Nottinghamshire Pension Fund	Wiltshire Pension Fund
City of London Corporation Pension Fund	Harrow Pension Fund	Oxfordshire Pension Fund	Worcestershire Pension Fund
Clwyd Pension Fund (Flintshire CC)	Havering Pension Fund	Powys Pension Fund	
Cornwall Pension Fund	Hertfordshire Pension Fund	Redbridge Pension Fund	Pool Company Members
Croydon Pension Fund	Hillingdon Pension Fund	Rhondda Cynon Taf Pension Fund	ACCESS Pool
Cumbria Pension Fund	Hounslow Pension Fund	Scottish Borders Pension Fund	Border to Coast Pensions Partnership
Derbyshire Pension Fund	Isle of Wight Pension Fund	Shropshire Pension Fund	LGPS Central
Devon Pension Fund	Islington Pension Fund	Somerset Pension Fund	Local Pensions Partnership
Dorset Pension Fund	Kensington and Chelsea (Royal Borough of)	South Yorkshire Pension Authority	London CIV
Durham Pension Fund	Kent Pension Fund	Southwark Pension Fund	Northern LGPS
Dyfed Pension Fund	Kingston upon Thames Pension Fund	Staffordshire Pension Fund	Wales Pension Partnership
Ealing Pension Fund	Lambeth Pension Fund	Strathclyde Pension Fund	
East Riding Pension Fund	Lancashire County Pension Fund	Suffolk Pension Fund	
East Sussex Pension Fund	Leicestershire Pension Fund	Surrey Pension Fund	
Enfield Pension Fund	Lewisham Pension Fund	Sutton Pension Fund	

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 Brent	<p align="center">Brent Pension Fund Sub-Committee 19 February 2025</p>
	<p align="center">Report from the Corporate Director of Finance and Resources</p>
<p align="center">Training Update - Members' Learning and Development</p>	
Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt:	Open
List of Appendices:	Three: 1) Brent Pension Fund Training Plan 2) Brent Pension Fund Training Strategy 3) Training Content and Learning Schedule
Background Papers:	None
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources (minesh.patel@brent.gov.uk) Amanda Healy, Deputy Director of Finance (amanda.healy@brent.gov.uk) Sawan Shah, Head of Finance (sawan.shah@brent.gov.uk) George Patsalides, Finance Analyst (george.patsalides@brent.gov.uk)

1.0 Executive Summary

- 1.1 The purpose of this report is to inform members of the committee and provide an update on the provision of the LGPS online learning facility.

2.0 Recommendation(s)

- 2.1 The Pension Fund Sub-Committee is recommended to note the report and continue the learning programme as outlined in the training timetable.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.3 Background

- 3.4 In November 2024, the government published their Fit for the Future consultation, which proposes several new measures to enhance governance, particularly the training of members involved in overall strategic direction of local authority pension funds. A key proposal is the requirement for administering authorities to publish a governance and training strategy, which would replace the Governance and Compliance statement. This would outline the authority's approach to governance, knowledge and training, representation, and conflicts of interest and be reviewed once per valuation period.

- 3.5 Currently, there are no statutory requirements for committee members and officers to maintain appropriate knowledge and skills specific to the LGPS or to undertake training of any kind. By contrast, members of the local pension board do have a statutory duty to have appropriate knowledge and skills.

- 3.6 The government therefore proposes to require that committee members should have the appropriate level of knowledge and understanding for their roles, and that the requirements for pension committee members and local pension board members should be aligned. This aims to ensure that committee members possess the necessary knowledge and skills to effectively fulfil their roles.

- 3.7 To work towards this, the Fund has subscribed to the LGPS Online Learning Academy (LOLA) which is a service launched by our actuaries, Hymans Robertson. This is an online platform designed to support the training needs of Pension Fund Sub-committee, Board and other responsible officers in the Council.

- 3.8 The course includes eight training modules and covers all the key areas to successfully manage the running of the Fund, including:

- Introduction to the LGPS and role of elected members
- Governance & Regulators and Business Planning
- LGPS administration, including policies and procedures, accounting and audit
- LGPS valuations, funding strategy and LGPS employers
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Current issues in the LGPS

- 3.9 As well as delivering training support, the LOLA platform tracks the progress of users and provides a record of activity, which is included as a standing item in each Committee and Board meeting. The table below shows module progress for each member of the Pension Fund Sub-Committee since starting in November 2023.

Title of Module	Module completed by
Introduction	Elizabeth Bankole Cllr Johnson Cllr Choudry Cllr Crabb Cllr Molloy
Module 1 – Committee Role and Pensions Legislation	Cllr Johnson Cllr Choudry Cllr Crabb Cllr Kennelly
Module 2 – Pensions Governance	Cllr Johnson Cllr Choudry Cllr Crabb Cllr Kennelly
Module 3 – Pensions Administration	Cllr Johnson Cllr Choudry Cllr Crabb Cllr Kennelly
Module 5 – Procurement and Relationship Management	Cllr Johnson Cllr Crabb Cllr Kennelly
Module 6 – Investment Performance and Risk Management	Cllr Johnson Cllr Crabb Cllr Kennelly
Module 7 – Financial Markets and Product Knowledge	Cllr Crabb
Module 4 – Pensions Accounting and Audit Standards	Cllr Crabb Cllr Kennelly Cllr Johnson
Module 8 – Actuarial Methods, Standards and Practices	Cllr Crabb

- 3.10 To accommodate new members to the Committee and allow existing members additional time to complete the training suite, we propose to maintain the current learning plan enclosed in Appendix 3.
- 3.11 The LOLA platform allows members to complete modules at a convenient time for them. As before, committee members are required to complete modules at the pace of one module per calendar month.

4.0 Stakeholder and ward member consultation and engagement

4.1 This is not applicable for this report.

5.0 Financial Considerations

5.1 There are none arising directly from this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising directly from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none arising directly from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none arising directly from this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are none arising directly from this report.

10.0 Communication Considerations

10.1 There are none arising directly from this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

This is the proposed Training Plan for the Brent Pension Fund Committee and Board Members. The Plan aims to give an indication of the delivery method and target completion date for each area. On approval, officers will start to implement this programme, consulting with Members as appropriate concerning their availability regarding appropriate delivery methods.

	Proposed delivery method									
	Officer briefings	Briefing note	Pre Committee/ Board training	Training event (internal or external)	Conferences or Seminars	E-learning	Webinars /videos	CIPFA Framework	Scheduled date	Feedback
Pensions legislation										
General introduction to the LGPS			✓				✓	1		
General pensions framework			✓			✓	✓	1		
LGPS Discretions and formulation of policies			✓				✓	1		
Latest changes to the LGPS			✓				✓	1		
Pensions governance										
Understanding the role of the administering authority			✓				✓	2		
Understanding the general governance framework, including the role of MHCLG, SAB, TPR and other Regulators			✓				✓	2		
The role of the Pension Committee, the administering authority, Pension Board and scheme employers	✓	✓	✓				✓	2		
Understanding the role of the s.151 officer	✓	✓	✓					2		
Monitoring and management of fund risk	✓		✓	✓	✓		✓	2		
Managing conflicts of interest	✓	✓	✓			✓	✓	2		
Reporting breaches of the law		✓	✓			✓	✓	2		
Pensions administration										
General understanding of best practice in scheme administration (e.g. performance and cost measures)	✓	✓	✓	✓				3		
Appreciation of Fund policies, including the administration strategy			✓	✓				3		
Understanding of discretionary powers and their usage			✓	✓				3		
Overview of pension tax rules			✓	✓				3		
Understanding of the Fund's AVC arrangements, including investment choices and performance			✓	✓	✓			3		
Actuarial methods, standards and practices										
General understanding of the role of the actuary	✓	✓	✓	✓	✓		✓	8		
Understanding the valuation process (including the Funding Strategy Statement) and inter-valuation monitoring			✓	✓			✓	8		
Monitoring of early and ill health retirements		✓						8		
Understanding the process for enabling new employers to join the Fund, together with the cessation process		✓	✓	✓	✓		✓	8		
Understanding the pension implication of outsourcing and bulk transfers		✓	✓	✓	✓		✓	8		
Appreciation of the employer covenant		✓	✓	✓	✓		✓	8		
Pension accounting & auditing standards										
A general understanding of the Accounts and Audit Regulations, together with legislative requirements relating to internal controls and accounting practice			✓					4		
A general understanding of the role of internal and external audit		✓	✓					4		
A general understanding of the role played by third party assurance providers			✓					4		
Pension Services procurement & relationship management										
A general understanding of public procurement policy and the role of key decision makers and organisations			✓	✓	✓			5		
A general understanding of the main requirements of UK and EU procurement legislation			✓	✓	✓			5		
An understanding of the importance of considering risk factors for the Fund when selecting third party providers			✓	✓	✓			5		
Appreciation of how the Fund monitors and manages performance of outsourced providers			✓	✓	✓			5		

Investment performance & risk management										
A general understanding of the importance of monitoring asset returns relative to the liabilities			✓	✓	✓			6		
Understanding ways of assessing long term risk			✓	✓	✓			6		
Appreciation of the Myners principles and the approach adopted by the Fund			✓	✓	✓			6		
Appreciation of the range of support services available, who supplies them and the nature of the performance monitoring regime			✓	✓	✓			6		
Financial markets & products knowledge										
A general understanding of the risk and return characteristics of the main asset classes			✓	✓	✓			7		
Understanding the role of these asset classes in long-term Fund investing			✓	✓	✓			7		
Understanding the importance of the Funds Investment Strategy Statement			✓	✓	✓			7		
A general understanding of the financial markets and the investment vehicles available to the Fund, together with their associated risks			✓	✓	✓			7		
Understanding the legislative limits placed on investments within the LGPS			✓	✓	✓			7		
Understanding how the Fund interacts with the UK and overseas taxation systems in relation to investments			✓	✓	✓			7		

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Brent Pension Fund

Pension Committee and Pension Board Training Strategy

March 2021

Contents

Pension Committee and Pension Board Training Policy	Page
Introduction	2
Objectives	2
Compliance	3
Timing	4
Approach	4
Flexibility	5
Maintaining knowledge	5
Risk Management	5
Reporting and Compliance	6
Budget and costs	6
Effective date	6
Review	6
 Appendices	
 Training plan	

Introduction

This is the training strategy of the Brent Pension Fund (“the Fund”). It has been established to aid the Pension Committee, Pension Board and Officers understanding of their respective responsibilities. This training strategy sets out how these key individuals within the Fund will obtain and maintain the necessary knowledge and understanding in order to fulfil their role.

Objectives

The Funds’ objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Housing, Communities and Local Government.

Pension Fund Committee members require an understanding of:

- Their responsibilities as an LGPS administering authority, as delegated to them by Brent Council;
- The requirements relating to pension fund investments;
- Controlling and monitoring the funding level; and
- Effective decision making in relation to the management and administration of the Fund.

Pension Board members must be conversant with –

- The relevant LGPS Regulations and any other regulations governing the LGPS;
- Any policy or strategy documents as regards the management and administration of the Fund; and
- The law relating to pensions and such other matters as may be prescribed.

Officers responsible for Fund management and administration must ensure they have the necessary knowledge and understanding to:

- carry out the tasks of managing the Fund’s investments, administering the payment of benefits and communicating key messages to scheme employers, scheme members and their dependants.

The knowledge and skills required of staff should be set out in their job descriptions, including any formal qualifications required.

Compliance

To achieve these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF) and the Pension Regulator Code of Practice to meet the skills set within that Framework. Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

CIPFA Knowledge and Skills Framework – Pension Fund Committees

Although there is currently no legal requirement for knowledge and understanding for members of the Pension Committee it is the Fund's opinion that, in accordance with the Scheme Advisory Board's (SAB) "Good Governance" project members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

The CIPFA framework, that was introduced in 2010, covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

Under each of the above heading the Knowledge and Skills Framework sets the skills and knowledge required by those individuals responsible for Fund's financial management and decision making.

CIPFA Technical Knowledge and Skills Framework – Local Pension Boards

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 Framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

The Pensions Regulator's E-learning toolkit

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its code of practice 14 – *Governance and administration of public service pension schemes*. The toolkit covers 7 short modules, which are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

The modules of the Regulator's toolkit are by their very nature generic, having to cater for all public service pension schemes. While they give a minimum appreciation of the knowledge and understanding requirements set out in the Code of Practice they do not cater for the specific requirements of the individual public service schemes.

As a result the Regulator's toolkit does not cover knowledge and skills requirements in areas such as Scheme regulations, the Fund's specific policies and the more general pension's legislation. Therefore, this toolkit should be used to supplement the existing training plans.

Timing

Ideally, targeted training will be provided that is timely and directly relevant to the Committee and Board's activities as set out in the Fund's business plan.

Approach

This Strategy sets out how the Fund provide training to members of the Pension Committee and Pension Board. Officers involved in the management and administration of the Fund will have their own section and personal training plans together with career development objectives.

- **Induction training** - Pension Committee and Pension Board members will receive induction training to cover the role of the Fund, Pension Board and understand the duties and obligations Brent Council as the Administering Authority, including funding and investment matters.

It is anticipated that at least 2 day's annual training will be arranged and provided by officers to address specific training requirements to meet the Pension Committee and Pension Board's business plan. All members will be encouraged to attend this event.

- **External courses** - Additionally, a number of specialist courses are run by bodies such as the Local Government Association, actuarial, governance and investment advisers as well as fund manager partners.
- **Conferences** - There are also a number of suitable conferences run annually, which will be brought to members attention where appropriate. Of particular relevance are the LGA Annual Governance Conference, LGA Fundamentals Training, National Association of Pension Funds (NAPF) Local Authority

Conference, the LGC Local Authority Conference, and the Local Authority Pension Fund Forum (LAPFF) annual conference.

Additionally, consideration will be given to various training resources available in delivering training to the Pension Committee and Pension Board members. These may include but are not restricted to:

- In-house and shared training events where it improves economy, efficiency and effectiveness
- Self-improvement and familiarisation with regulations and documents
- The Pension Regulator's e-learning programme
- Attending courses, seminars and external events
- Internally developed training days and pre/post meeting sessions
- Regular updates from officers and/or advisers
- Informal discussion and one-to-one sessions
- Formal presentations
- Circulated reading material
- E-learning

Flexibility

When considering training for members of the Pension Committee and Pension Board it is recognised that individuals may have different learning styles. The Fund will seek, where possible, to ensure flexibility in the manner in which training is provided to support these different learning styles.

Maintaining knowledge

In addition to undertaking ongoing training to achieve the requirements of the CIPFA knowledge and skills framework Pension Committee and Pension Board members are expected to maintain their knowledge and understanding of topical issues through attendance at internal/external events and seminars where appropriate. We recommend that members sign up to the various industry communications such as those produced by the SAB, LGA, CIPFA and the Fund Actuary.

Owing to the changing world of pensions, it will also be necessary to attend ad hoc training on emerging issues or on a specific subject on which a decision is to be made in the near future.

Risk Management

The compliance and delivery of a training strategy is at risk in the event of-

- Frequent changes in membership of the Pension Committee or Pension Board
- Poor individual commitment
- Resources not being available
- Poor standards of training
- Inappropriate training plans

These risks will be monitored within the scope of the training strategy to be reported to the s.151 officer where appropriate.

Reporting and Compliance

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

Budget and costs

A training budget will be agreed and costs fully scoped.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund, provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Board/Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

Effective date

This strategy comes into effect from 23 March 2021.

Review

This strategy will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.

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Title of Module	Module Content	Date to be completed	Time Requirement
Introduction	An introduction to LGPS Online Learning Academy	Aug-24	2 minutes
Module 1 – Committee Role and Pensions Legislation	An Introduction to Pensions Legislation An Introduction to Pensions Legislation - The role of a Councillor	Aug-24	37 minutes
Module 2 – Pensions Governance	LGPS Oversight Bodies - DLUHC & GAD LGPS Oversight Bodies - TPR Business Planning LGPS Governance	Sep-24	1 hour
Module 3 – Pensions Administration	Introduction to Administration Additional Voluntary Contributions Policies and Procedures	Oct-24	1 hour
Module 5 – Procurement and Relationship Management	Public Procurement	Nov-24	21 minutes
Module 6 – Investment Performance and Risk Management	Introduction to Investment Strategy LGPS Investment Pooling Performance Monitoring Responsible Investment	Dec-24	58 minutes
Module 7 – Financial Markets and Product Knowledge	Introduction to financial markets and product knowledge Markets, investment vehicles and MiFID II	Jan-25	43 minutes
Module 4 – Pensions Accounting and Audit Standards	Pensions Accounting and Audit Standards	Feb-25	21 minutes
Module 8 – Actuarial Methods, Standards and Practices	Introduction to Funding Strategy LGPS Actuarial Valuations - Process LGPS Valuation - Technical Employers	Mar-25	1 hour
Current Issues	Understanding McCloud Pensions Dashboards Understanding Goodwin Introduction to Cyber Risk GAD Section 13 Climate Change and TCFD McCloud Consultation June 2023 SAB and HM Treasury Cost Cap Mechanisms Next Steps on Investment (England & Wales) - Consultation overview	On going	

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DRAFT MINUTES OF THE PENSION BOARD **Held as an online meeting on Thursday 7 November 2024 at 6.00 pm**

PRESENT (in remote attendance): David Ewart (Independent Chair), Councillor Kabir and Councillor Tazi Smith (Employer representatives), Chris Bala (Pension Scheme Member representative) and Bola George (Member representative - Unison).

Also present (in remote attendance): Emma Hebblethwaite (Senior Operations Manager LPPA) & Michelle Waldermar (LPPA).

1. Apologies for absence

An apology for absence was received from Robert Wheeler (Member representative - GMB).

2. Declarations of interests

David Ewart (as Independent Chair) declared a personal interest as a member of CIPFA.

No further declarations were made during the meeting.

3. Minutes of the previous meeting

The minutes of the previous meeting held on Tuesday 3 September 2024 were **AGREED** as an accurate record.

4. Matters arising (if any)

None.

5. Pensions Administration Update

John Smith (Pensions Manager) introduced the report, which updated the Pension Board on various pension administration matters as part of its remit to oversee the administration of the Brent Pension Fund. The Board was advised that the update included a review of performance against agreed Service Level Agreements (SLAs) for Q2 (July – September 24) with a brief overview provided on Fund membership, which as of 30 September 24 comprised 6,452 active members, 10,158 deferred members and 7,528 pensioner and dependant members. The Board's attention was drawn to the high number of deferred members recorded, which members were advised had been subject to review and it was noted had been impacted by figures including refunds and benefits.

In focussing on overall performance during Q2 the Board was advised that this remained high overall with 98.4% (July), 98.1% (August) and 98.2% (September) of all case types being processed, meeting contractual SLA targets as detailed in section 3.4.7 of the cover report. The Fund's perception was that the service was

continuing to improve, with it noted that only transfers-out (93.4%), which were identified as less critical, had fallen below SLA (95%) and Figure 2 in the cover report providing detail on the number of cases that had been processed grouped by category. Performance in relation to complaints and Helpdesk call performance had also remained strong.

Following introduction of the report, the Chair welcomed Emma Hebblethwaite from LPPA, the Council's administration service provider, who provided a further detailed update regarding recent pensions administration performance, summarised below:

- Members were informed that overall operational casework performance remained positive for Q2, with a performance average of 98.2% against SLAs. It was noted that nine cases relating to Transfers Out had missed the target SLA with the issues identified as a result having now been resolved.
- In noting the performance update in relation to ongoing casework, the Board received an update on the work being undertaken in relation to Active to Retirement processes including the number of retirement notifications received on time v those notifications received late, number of on time notifications processed within target and performance in relation to late notifications processed. In terms of issues impacting on performance members were advised of the additional requirements in relation to members with Additional Voluntary Contributions (AVC) and ongoing work with employers to promote the need for the submission of information on a timely basis to support the processing of cases.
- In terms of LPPA contact centre calls performance, the average wait time had consistently been under the target of 4 minutes, with an average wait time over Q2 of 2 minutes 16 seconds.
- In terms of Customer Satisfaction scores, members were reminded that Contact Centre satisfaction now included overall satisfaction scores as well as for the individual call handlers, which was typically higher than the overall score, with scores for Q2 at 92.2% and 75% respectively and customer feedback subject to ongoing monitoring to support staff development and training. It was noted that an increase in call waiting times had seen a slight reduction in overall satisfaction during September. The Q2 Administration report had also included satisfaction scores for retirements, although it was noted that these scores had been impacted by a majority of those surveyed not having responded with low response rates increasing volatility. Of those who had responded customer satisfaction was 22.2% for actives into retirement and 77.3% for deferred into payment.
- Regarding complaints, members were informed that numbers remained on a downward trend with 14 new cases having been received since the last Board meeting, representing a rate of 4.6 per month. Whilst no Internal Dispute Resolution Procedures ("IDRP") were received in Q2 with one outstanding case having been determined along with a Pensions Ombudsman case in September, Brent and LPPA continued to take action to ensure that IDRP cases were resolved swiftly. However, the complex nature of some cases meant that it was not always possible resolve these quickly, with each case

also reviewed following completion to ensure any lessons were learnt and, if necessary, processes and procedures were amended. As at the 6 November 24 the Board was advised that there were five open cases all listed at Stage 1 with the main cause being identified as delays experienced in casework.

- In terms of LPPA Project updates the Board noted the progress being made in relation to the Efficiency and Service Improvement Program (ESIP) following the transition to the new Pension Administration System which members were advised had been focussed on delivering automation and improved self-service capability. This included 9 projects in flight with the automation of Deferred Retirement Quote having been launched in July and work underway on similar functionality for active members. Other activity included work to improve the monthly returns process and the member and employer online portals. Reference was also made to the work being undertaken in partnership with Civica and Intellica on a data project to improve data quality ahead of valuation and the introduction of the Pensions Dashboard with the creation of test environments now complete and Data Validation Checks being used to check the integrity of member data having also been scoped and built and the results due to be shared in Q3. The project would include the production of a series of dashboards to provide clear visibility of the integrity and accuracy of the data held to comply with regulatory change and enable the launch of further self-service and automation for members and employers.

Following the update, the Chair invited questions from Board members, with questions and responses summarised below:

- In response to a query regarding the notice required by employers prior to an active member retirement to enable payments to be made within 30 days of that retirement date, the Board was advised this was a target set by LPPA with the aim of seeking to avoid any break in payments. The target was regarded by LPPA as practicable and realistic, but performance would also need to take account of other issues such as AVC payments needing to be resolved. In terms of the 30 day notice required from employers, whilst challenging and non-contractual this was felt to represent good practice.
- In seeking an update on the nature of outstanding casework identified, confirmation was provided that none of the cases involved issues of significant concern with most relating to their cycle in the system and awaiting the supply of additional information before they could be progressed. Cases likely to impact on valuation continued to be actively focused on, such as deferred benefits and refunds or where a members status had changed.

The Board then moved on to consider the details and update provided in relation to progress on Annual Benefit Statements (ABS), with the statutory requirement for these to have been issued to all eligible active and deferred members by 31 August annually. The Board was reminded on the requirement for scheme employers to now submit monthly returns to enable preparation of the ABS within the required timescale. Given the move to monthly returns, officers had been closely monitoring return submissions. A range of employer training sessions had also been delivered to support them in the submission of their returns and resolution of any queries. Regarding the current position, the Board were advised that (with the exception of four) all active employers (up to April 2024) were up to date with their submissions.

It was noted that the four unable to submit monthly returns had been able to submit an annual return, with work continuing to promote the benefits of the monthly return process in order to ensure the Fund remained in a good position.

In terms of the current position in relation to the production of the Annual Benefit Statements, Emma Hebblethwaite advised that of the active members the Fund had been able to produce 97.1% of statements. For deferred members this had been 99.9% which had shown an incremental improvement over the 95% for active members and 99% for deferred members in 2022-23.

Having invited questions from Board members, the following issues were raised and responses provided:

- Referring to performance in relation to the production of ABS for active members further details were sought on whether the statements it had not been possible to provide related to issues with specific employers or a more general issue. Officers confirmed that no specific trends had been identified, with the process felt to have gone well overall and those that had missed the deadline not considered to be material or a reportable breach on the basis that performance had still exceeded 95% and improved when compared to 2022-23. Officers had, however, continued to monitor the situation and proactively work with employers to ensure returns were being submitted on a monthly basis with those where performance had fallen short encouraged to change their payroll providers and the Fund able to use the powers set out in the Pensions Administration Strategy where employers were felt to continually not be complying with the standards expected.

Turning the Board's attention to the final part of the update, John Smith (Pension Manager, Brent Council), then moved on to update members on progress with the migration of Brent's current in-house pensions payroll to LPPA's UPM system, which had been agreed by the Council's General Purposes Committee in April 2024. In terms of progress, the Board was advised of the improvement achieved in the Fund's conditional data as a result of the data cleanses which had been required to facilitate the migration with the first data cut submitted in September 2024 and the subsequent parallel run having been successfully completed and signed off. Preparations for the second data cut and parallel run were now underway, which was due to be undertaken in November 2024, with communication material for members pre and post migration having also been agreed along with the General Ledger reporting requirements for the monthly payroll and requirements for single payments also being finalised. Details were currently awaited from HMRC on the set-up of a new PAYE reference for the pension fund with NatWest also in the process of providing a new BACS service user number. The Board was advised that the expected rollout of the system was still planned for January 2025 with the project being managed by a dedicated project manager at LPPA, working closely with officers from Brent's pension and payroll team and Civica and the high-level project timetable provided in Appendix 2 of the report.

The Board was also advised on progress being made in relation to the McCloud remedy with LPPA having now placed eligibility flags on all records that had been identified as being within scope for the remedy. This had included applying the underpin and calculating benefits for active members retiring with an eligibility flag, and whose data had been verified as being correct. The Board noted that where

the underpin had been applied, early results had shown that the underpin was driving a small increase in benefits (£300 p.a. on average) involving a small percentage of cases (4%) impacting on members who had received a salary increase in the remedy period. At the same time significant increases had also been identified in affected transfer values, which it appeared were attributed to the lower retirement ages in the final salary scheme and, consequently, higher factors.

As a final update, the Board was advised that work was progressing well on the transition to the Pension Dashboard which all Public sector schemes were required to connect to by 31 October 2025. LPPA had a dedicated project manager in place with a current focus on systems requirement (including the rules for partial matching of records and the treatment of AVCs) and business readiness, including dealing with new enquiries relating to dashboard.

In thanking Emma Hebblethwaite and John Smith for the update, the Chair commended the progress outlined and with no further comments it was **RESOLVED** that the report be noted.

6. Risk Register

Sawan Shah (Head of Finance, Brent Council) introduced a report, presenting the updated Risk Register for the Brent Pension Fund Administration Service. In considering the report, members noted the changes previously agreed in relation to the updated Risk Strategy (attached as Appendix 2 to the report) and key changes made to the Risk Register (attached as Appendix 1 to the report) since the previous update which included:

- Item 1.1 Business Continuity – the update of supporting commentary
- Item 3.1 Scheme Data – an expansion of controls listed
- Item 3.2 Record Keeping – the update of a supporting comment to reflect recent data cleanse activity
- Item 3.5 Pensions Payroll Migration – the update of a supporting comment to reflect recent activity
- Item 3.6 Re-enrolment – the update of a supporting comment to reflect the Re-enrolment exercise currently taking place
- Item 4.2 Annual Benefit Statements – the risk of likelihood being lowered and an updated comment following the 2024 exercise
- Item 4.4 Monthly contribution returns – the update of a supporting comment
- Item 5.4 Governance – the update of controls listed
- Item 5.5 Discretions – an update of the risk outline and supporting comments
- Item 6.5 Annual Audit – the update of a supporting comment to reflect progress on the audit of the financial statements

In thanking Sawan Shah for the overview, the Chair welcomed comments from Board members. Contributions, questions, and responses were as follows:

- Further details were sought on the potential impact arising from the outcome of the US Presidential election in relation to the geographical and economic risk in relation to investments (Risk 6.2) included on the register. In response, assurance was provided of the work being undertaken by officers in conjunction with the Fund Investment Advisors to actively monitor these

impacts and adjust the Fund investment strategy as required. Members were also reminded that the Fund held a well-diversified investment portfolio, which included a mixture of growth, income, and protection assets based on professional advice and was therefore able to take a longer term view in relation to investments avoiding over exposure in any one specific market or to shorter term market volatility with quarterly updates on investment performance also provided for the Pension Fund Sub Committee and Board subject to regular monitoring.

- Further clarification was sought on the integration between the Risk Strategy and Risk Register as a means in supporting the scheme manager in identifying and managing scheme risks and how this was incorporated within the Register presented to the Board including the details provided on the strategy (in terms of controls and mitigations) in place to control those issues identified with the highest risk ratings on an ongoing basis such as cyber security. In response, members were advised that the Strategy had been subject to a detailed review and update with the outcome and changes made as a result presented to the Board at their previous meeting in September 2024,. In providing further clarification on the way in which risks included within the register were assessed and scored in relation to their impact and likelihood based around financial, service and reputational impact members were advised of the process and strategy followed to ensure these risks were kept under continual review recognising that whilst possible to mitigate against particular aspects often the nature and inherent likelihood of the risk would mean they would need to remain ranked as high.

The Board was advised that comments on presentation of the Register would continue to be welcomed including on the review of any risk classifications or if it was felt any new or emerging risks needed to be considered.

The Board welcomed the report, and as no further issues were raised, it was **RESOLVED** to note the overall report, including the key changes to the Risk Register (as detailed in Appendix 1 and set out in section 3.2.4 of the report).

7. Local Government Pension Scheme Update

John Smith (Pension Manager, Brent Council) introduced a report that updated the Board on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund. In terms of key updates, the following issues were highlighted:

- The call for evidence published as part of the first phase of the recent pension review announced by the government, which had included consideration of measures to accelerate asset pooling and increasing Local Government Pension Scheme (LGPS) funds investment in 'productive finance'. The response submitted by the LGPS on behalf of the Local Government Association (LGA) had been attached as Appendix 3 to the report supplemented by a response from the Scheme Advisory Board (SAB) attached as Appendix 4 of the report. The second stage of the review was expected to include consideration of pension adequacy, fairness and the consequences of the gender pensions gap.

Guidance had also been published regarding the LGPS fund account return with the information used to provide a benchmark on administration and fund management, compiling the national accounts and illustrate the role of the LGPS in the economy.

- Publication of a report by the Government Actuary's Department (GAD) to the Ministry of Housing, Communities and Local Government (MHCLG) on the 2022 fund valuations, which had examined how fund valuations had delivered against the aims of compliance, consistency, solvency and long-term cost efficiency. The analysis had found the LGPS to be in a strong financial position with many funds in surplus with GAD making recommendations for the Scheme Advisory Board to consider including whether greater consistency could be achieved to allow easier comparison between funds and to refine the climate change principles in advance of the future valuations.
- In terms of more general updates, the Board were advised that the Government was considering extending the Fair Deal to local government including pension provision for councillors. MHCLG had also signalled their intention to address discrimination by removing the age 75 limit on death grants and giving widower's pensions parity with widow's/same sex partners following the Goodwin ruling in the Teachers' Pensions Scheme. Moving on the Pension Dashboard the Pensions Regulator had now published its Pensions dashboards compliance and enforcement policy, in response to a consultation, and updated breach of law guidance. As a result, Brent would be reviewing its own policy with schemes expected to connect to the dashboard eco-system in line with the Department for Work & Pensions staged timetable designed to reduce delivery risk to industries and test software to ensure a successful launch.

The Chair thanked John Smith for the comprehensive update provided and then welcomed contributions from members, with comments raised summarised below:

- Referring to reference within the August 2024 LGPC Bulletin (attached as Appendix 1 of the report) to the recent Government focus seeking to encourage UK pension schemes to invest more in the UK economy, further clarification was sought on the Canadian model cited as an example. In response officers advised the Government's interest was focussed on the potential for pension funds to boost investment on infrastructure within the UK based on an approach which had sought to pool the use of direct investments and management of assets between eight Canadian pension schemes (referred to as the Maple-8) in productive assets and vital infrastructure within the Canadian economy. Views were being sought on the approach as part of the recent call for evidence under the wider pension review with further specific details awaited from the Government and the Board recognising the advantages of the Funds well-diversified investment portfolio in reducing exposure to market volatility and risk.
- In relation to the approach adopted towards the diversification of investment and focus on commercial property funds, further details were sought on any anticipated longer term impacts arising from the pandemic on that sector. In response officers advised that it was common practice for most LGPS Funds

in managing a broad and diversified portfolio of investments to include a commercial property allocation. Whilst recognising the current challenges in terms of performance within the commercial property investment sector, members were assured that whilst Brent held investments in Commercial Property Fund Managers (with a suitable offer not currently available through the London CIV) the Funds exposure remained lower than many other schemes.

With no additional issues or comments raised, the Board welcomed the update provided and **RESOLVED** to note the overall report and recent developments outlined in relation to the LGPS.

8. Training Update

Sawan Shah (Head of Finance, Brent Council) introduced the report, which provided an update on the provision of the Local Government Pensions Scheme (LGPS) online pensions learning facility. As context, members were reminded that as part of the Fund's Training Strategy, all those involved in the governance of the Fund were expected to be able to evidence they had the knowledge, skills and commitment to carry out their role effectively. In order to support members in meeting this requirement, the Fund had subscribed to the LGPS Online Learning Academy (LOLA), which included eight modules designed specifically for the Pension Fund Sub Committee and Board Members, with progress by members in terms of the completion of each module set out within section 3.7 of the report.

In welcoming the progress made, the Board noted the training plan had been adapted to accommodate new members of the Board with the updated plan and timescales for completion of the required modules detailed within Appendix 3 of the report. Members were encouraged to ensure they completed the required modules in line with the updated plan with officers advising members requiring support to contact them for assistance

Having thanked officers for the update, the Board **RESOLVED** to note the report and support the continued learning programme as outlined within the training timetable.

Before moving on to the remaining items on the agenda the Chair reminded Board members that agenda items 9, 10, 11, 15, 16, and 17 were reports referred to the Pension Board for information following their consideration at the Brent Pension Fund Sub Committee on 8 October 2024.

9. Q2 2024 Brent Investment Monitoring Report

Sawan Shah (Head of Finance, Brent Council) introduced the Brent Pension Fund Investment Q2 Investment Monitoring Update. In terms of key highlights in terms of performance during Q2 the Board was advised that the Fund had posted a positive return with a valuation of £1,279.2m up from £1,259.7m at the end of Q1 with the assets combined to return 1.4% over the monitoring period. The main driver of the positive return had been the Fund's passive global equity exposure on an absolute basis, along with its exposure to UK and emerging market equities. Within the income assets, the Fund's private debt, property and multi-asset exposure contributed to performance on an absolute basis. The main detractor from

performance had the Fund's government bond exposure, which fell in value as gilt yields rose over the quarter. The Monitoring Update also included details on the Fund's Asset Allocation, which it was noted remained broadly in line with the overall Investment Strategy. Whilst it was noted the Fund, on a relative basis, had underperformed its benchmark by 0.5% and was behind its composite benchmark over the past 12 months and over 3 years the funding level, had been estimated (as at 30 June 2024) to be 123%. This represented an increase from 111% in Q3 2022 with the funding level having remained relatively consistent over the previous 12 month period and in advance of the next scheduled valuation in 2025.

Having thanked Sawan Shah for the update, the Chair invited comments from the Board, with the comments raised summarised below:

- In response to further clarification being sought on the role of the Board in relation to Investment Fund monitoring, the Chair advised members that whilst the Pension Fund Sub Committee had responsibility for managing the Fund's investment process and strategy, the Board also had a remit in terms of scrutinising the role of the Sub Committee in this respect. Members welcomed the high level of support and co-operation between the Sub Committee and Board in terms of this role and in ensuring effective governance, management and oversight of the Fund's investment activity and also administration of the scheme.

In noting that the report had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2024 the Board **RESOLVED** to note the Q2 Investment Monitoring Update.

10. **Brent Pension Fund - Annual Report and Accounts 2023/24**

Sawan Shah introduced the report, presenting the Pension Fund Annual Report and Accounts ending 31 March 2024. The Board was advised that work to complete the audit on the Statement of Accounts was now substantially complete, with an update on progress having been presented to the Audit & Standards Advisory Committee on 31 October 2024. Whilst it had not been possible to achieve the initial deadline, work to complete the outstanding audit fieldwork was ongoing with no significant or material issues in terms of the Pension Fund Statement of Account having been identified to date. It would not, however, be possible to sign off the Pension Fund Accounts until work on the Council's Statement of Accounts had also been completed, which had been subject to additional delay due to a number of outstanding requests for information that had needed to be addressed. The Board was assured that regular meetings with the auditors continued to be held with David Ewart (in his capacity as Independent Chair of the Audit and Standards Advisory Committee) also confirming the efforts being made to complete the audit process as soon as was possible.

In terms of the draft Pension Fund Annual Report (which it was noted included the Fund's Investment Strategy Statement; Pensions Administration Strategy and Funding Strategy Statement) members were advised this had been sent to Grant Thornton (External Auditor) for review. Given the ongoing work to complete the audit on the Council's Statement of Accounts, the Board was advised that this would mean the Annual Report would need to be published without the inclusion of

the final Audit Opinion, to meet the required timescale which the Board advised was accepted practice in these instances.

Officers were commended for their work on the Annual Report and in noting they had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2024 the Board **RESOLVED** to note the Brent Pension Fund Annual Report 2023-24 and update on the Pension Find Statement of Accounts.

11. **Local Authority Pension Fund Forum (LAPFF) Engagement Report Q2 2024**

The Board received a report providing an update on the engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund, as detailed with the Q2 LAPFF Engagement Report included as Appendix 1 to the cover report.

In noting that the report had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2024 the Board **RESOLVED** to note the report and update on LAPFF engagement activity.

12. **Any other urgent business**

The Chair advised members that as Sunil Ghandi no longer represented an employer member (Non-Brent Council) in the scheme his position as Board Member had become vacant. Officers were now in the process of seeking to fill the vacancy which was hoped to complete in advance of the next Board meeting in March 2025. The Board placed on record their thanks to Sunil for his service.

No other issues were raised for consideration under this item at the meeting.

13. **Date of next meeting**

The Committee NOTED the date of the remaining Pension Board meeting for the 2024-25 Municipal Year, as follows:

- Monday 24 March 2025 at 6:00pm

14. **Exclusion of Press and Public**

At this stage in the meeting, the Chair advised that the Board would need to move into closed session to consider the final items on the agenda.

It was therefore **RESOLVED** to exclude the press and public from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

“Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”.

The meeting then continued in closed session with the webcast ended.

15. **Low Carbon Index-tracking Global Equity Fund selection**

Sawan Shah (Head of Finance, Pensions) introduced a report detailing the outcome of a market review (as part of the Funds Investment Strategy) of the Funds passive global equities mandate and outlining recommended investment options for consideration based on the analysis provided.

In considering the update provided further clarification was provided for the Board in relation to the nature of the proposed investments and their risk exposure compared to those already held by the Fund and commitment the recommended approach would deliver in relation to the fund's ongoing net-zero ambitions.

In noting that the approach identified had been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2024 the Board **RESOLVED** to note and endorse the decision made by the Sub Committee to approve the recommendations as detailed in Section 2.of the report.

16. **Investment Update**

Sawan Shah (Head of Finance, Pensions) introduced a report updating the Sub Committee in relation to specific investments held by the Fund with individual providers.

In considering the report, members noted and commended the proactive approach taken by the officers and the Fund's Investment Advisors, which it was recognised had been undertaken in order to safeguard the best interests of the Fund. With the approach identified having been subject to detailed review at the Brent Pension Fund Sub Committee on 8 October 2024 the Board **RESOLVED** to note and endorse the update provided and action which the Sub Committee had agreed to take as detailed in the report.

17. **London CIV Update**

The Board received and **RESOLVED** to note, without further comment, a report that provided an update on recent developments regarding Brent Pension Fund investments held within the London CIV.

The meeting closed at 7.42 pm

DAVID EWART
Independent Chair

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