



## **Notice of Meeting and Agenda**

### **Pensions Committee**

**2.00 pm Wednesday, 27th September, 2023**

Hybrid Meeting - Lomond Suite, EICC, Morrison Street, Edinburgh / Microsoft Teams

This is a public meeting and members of the public are welcome to attend.

The law allows the Committee to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

### **Contacts**

Susan Handyside, Assistant Company Secretary, Lothian Pension Fund

Tel: 0333 996 1971

Email: [han24S33@lpf.org.uk](mailto:han24S33@lpf.org.uk)

Lesley Birrell, Committee Services, City of Edinburgh Council

Tel: 0131 529 4240

Email: [lesley.birrell@edinburgh.gov.uk](mailto:lesley.birrell@edinburgh.gov.uk)

## 1. Quorum Check

---

- 1.1 The Convener will check to ensure a quorum is in attendance to ensure the meeting can proceed.

## 2. Order of Business

---

- 2.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

## 3. Declaration of Interests

---

- 3.1 Members of the Committee and members of the Pension Board should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

## 4. Deputations

---

- 4.1 If any.

## 5. Minutes

---

- 5.1 Minute of the Pensions Committee of 21 June 2023 (circulated) – 9 - 16  
submitted for approval as a correct record

## 6. Reports

---

- |            |  |           |
|------------|--|-----------|
| <b>6.1</b> | Audit Sub-Committee Convener's Annual Update (and any referrals and recommendations from the Pensions Audit Sub-Committee)   |           |
| <b>6.2</b> | Agenda Planning and Governance Update – report by the Chief Executive Officer, Lothian Pension Fund (circulated)   | 17 - 24   |
| <b>6.3</b> | Project Forth Update - report by the Chief Executive Officer, Lothian Pension Fund (circulated)  | 25 - 52   |
| <b>6.4</b> | Updates to Investment Governance Arrangements - report by the Chief Executive Officer, Lothian Pension Fund (circulated)   | 53 - 94   |
| <b>6.5</b> | Lothian Pension Fund - Contract Awards and Supplier Overview (Period 1 July 2022 to 30 June 2023) - report by the Chief Executive Officer, Lothian Pension Fund (circulated) | 95 - 100  |
| <b>6.6</b> | Audited Annual Report and Accounts of the Lothian Pension Fund and Scottish Homes Pension Fund - report by the Chief Finance Officer, Lothian Pension Fund (circulated)      | 101 - 406 |
| <b>6.7</b> | Stewardship and Engagement - report by the Chief Investment Officer, Lothian Pension Fund (circulated)   | 407 - 510 |
| <b>6.8</b> | Business Plan and Budget Update – report by the Chief Finance Officer, Lothian Pension Fund (circulated)   | 511 - 528 |
| <b>6.9</b> | Risk & Compliance Update - report by the Chief Risk Officer, Lothian   | 529 - 540 |

## 7. Motions

---

### 7.1 Motion by Councillor Burgess – Lothian Pension Fund Investments in Oil and Gas Companies

“Committee:

1. Notes given the Climate Emergency and the fiduciary duty of pension funds that it is important for the Lothian Pension Fund to be clear about its investments in companies whose principal business is oil and gas.
2. Requests a report to the next committee meeting detailing all investments currently held by Lothian Pension Fund in companies whose principal business is in fossil fuels, for example BP, Shell, TotalEnergies, Exxon and Chevron.”

## 8. Resolution to Consider in Private

---

- 8.1 The Committee is requested under Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs 1.3 and 6 of Part 1 of Schedule 7A of the Act.

## 9. Private Business

---

- |     |  |           |
|-----|--|-----------|
| 9.1 | Employer Covenant Review 2023 - report by the Chief Finance Officer, Lothian Pension Fund (circulated)                     | 541 - 560 |
| 9.2 | Employers Participating in Lothian Pension Fund – report by the Chief Operating Officer, Lothian Pension Fund (circulated) | 561 - 568 |

## **Nick Smith**

Service Director, Legal and Assurance

## **Committee Members**

---

Councillors Watt (Convener), Burgess, Duggart, Nicolson and Ross; John Anzani and Richard Lamont.

Please note that members of the Pensions Board and the Independent Professional Observer will also be invited to attend and participate in the meeting.

## **Information about the Pensions Committee**

---

The Pensions Committee consists of 5 Councillors and 2 external members and is appointed by the City of Edinburgh Council in its separate capacity as administering authority of the Lothian Pension Fund. The Pensions Committee usually meets 4 times a year (every twelve weeks).

This meeting is being held on a hybrid basis in the Lomond Suite, EICC, Morrison Street, Edinburgh and by Microsoft Teams. The meeting is open to all members of the public. The meeting will be monitored by Susan Handyside.

## **Pension Board Members**

---

Alan Williamson, Brian Robertson, Darren May, Jim Anderson (Chair), Sharon Dalli, Thomas Carr-Pollock, Tom Howorth, Nick Chapman and Tony Beecher.

## **Information about the Pension Board**

---

The Pension Board consists of 10 members, 5 members from the employer bodies and 5 members from trade unions representing members within the pension funds as set out in the regulations.

The role of the Pension Board is to help ensure that the operation of the pension funds is in accordance with the applicable law and regulation.

<https://www.lpf.org.uk/us>

## **Independent Professional Observer**

---

Andy McKinnell

### **Information about the Independent Professional Observer**

---

The Independent Professional Observer is appointed by the Lothian Pension Fund to help strengthen the Lothian Pension Fund's governance. The role is to provide independent observations to the Pensions Committee and Pension Board.

The purpose of the role is to enhance the scrutiny of the decision making and provide the Committee and Board with additional experience and knowledge impartial from the Lothian Pension Fund's Officers.

### **City of Edinburgh Council Oversight**

---

The City of Edinburgh Council has statutory responsibility to administer the Lothian and Scottish Homes pension funds. In order to most effectively carry out that function (and to reflect the separate statutory responsibilities, and regulation, of the pension funds) the City of Edinburgh Council has delegated management responsibility for the pension funds to the Lothian Pension Fund Group and its two arms-length companies LPFE Limited and LPFI Limited. Critical parent oversight continues to be carried out by the Pensions Committee and Dr Deborah Smart, Executive Director of Corporate Services for the City of Edinburgh Council, as the Administering Authority for the Fund, to ensure that its statutory functions are being properly carried out.

### **Lothian Pension Fund Senior Leadership Team**

---

The senior leadership team responsible and accountable for the business and activities of the Lothian Pension Fund Group are:

David Vallery, Chief Executive Officer

Bruce Miller, Chief Investment Officer

Kerry Thirkell, Chief Risk Officer

Alan Sievwright, Chief Finance Officer

Helen Honeyman, Chief People Officer

## Further Information and Contact

---

If you have any questions about the agenda or meeting arrangements, please contact Susan Handyside, Assistant Company Secretary, Lothian Pension Fund, PO Box 24158, Edinburgh, EH3 1GY, Tel 0333 996 1971, email [lpfgovernancecomms@lpf.org.uk](mailto:lpfgovernancecomms@lpf.org.uk) .

A copy of the agenda and papers for this meeting will be available for inspection prior to the meeting at the Main Reception, City Chambers, High Street, Edinburgh EH1 1YJ.

The agenda, minutes and public reports for this meeting can be viewed via the City of Edinburgh Council committee portal.