



## **Notice of Meeting and Agenda**

### **Pensions Committee**

**2.00 pm Wednesday, 26th June, 2024**

Lothian Pension Fund - 4th Floor, 9 Haymarket Square, Edinburgh, EH3 8RY

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.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**

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Andrew Henderson, Committee Officer, City of Edinburgh Council

Email: [andrew.henderson@edinburgh.gov.uk](mailto:andrew.henderson@edinburgh.gov.uk)

## 1. Quorum Check

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

## 2. Order of Business

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- 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

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- 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

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- 4.1 If any.

## 5. Minutes

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| 5.1 | Amended Minute of the Pensions Committee of 27 September 2023 (circulated) – submitted for approval as a correct record | 9 - 22  |
| 5.2 | Minute of the Pensions Committee of 20 March 2024 - (circulated) submitted for approval as a correct record.            | 23 - 34 |
| 5.3 | Action Tracker (circulated)   | 35 - 38 |

## 6. Reports

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<b>6.1</b>	Referrals and recommendations from the Audit Sub-Committee, Convener of the Audit Sub-Committee	Verbal Report
<b>6.2</b>	Quarterly Governance Update and Appointments – report by the Company Secretary, Lothian Pension Fund (circulated)	39 - 80
<b>6.3</b>	Cessation of Project Forth – Pension Board Decision Review Request – report by the Chief Executive Officer, Lothian Pension Fund and the Head of Democracy, Governance and Resilience, City of Edinburgh Council (circulated)	81 - 142
<b>6.4</b>	LPF Unaudited Annual Report (and Financial Statements) 2024 – report by the Chief Executive Officer, Lothian Pension Fund (circulated)	143 - 352
<b>6.5</b>	Lothian Pension Fund - Internal Audit Annual Report and Opinion for the Year Ended 31 March 2024 – report by the Head of Internal Audit, City of Edinburgh Council (circulated)	353 - 372
<b>6.6</b>	Statement of Investment Principles – report by the Chief Investment Officer, Lothian Pension Fund (circulated)	373 - 394
<b>6.7</b>	Approach to Responsible Investment – Climate Change – report by the Chief Investment Officer, Lothian Pension Fund (circulated)	395 - 410
<b>6.8</b>	Approach to Responsible Investment – conflict-affected areas – report by the Chief Investment Officer, Lothian Pension Fund (circulated)	411 - 418

<b>6.9</b>	Joint Investment Forum Activity Update – report by the Chief Investment Officer, Lothian Pension Fund (circulated)	419 - 424
<b>6.10</b>	Annual Investment Update – Lothian Pension Fund - report by the Chief Investment Officer, Lothian Pension Fund (circulated)	425 - 438
<b>6.11</b>	Annual Investment Update – Scottish Homes Pension Fund – report by the Chief Investment Officer, Lothian Pension Fund (circulated)	439 - 444
<b>6.12</b>	Approval of extension to Global Custody Services Contract – report by the Chief Finance Officer, Lothian Pension Fund (circulated)	445 - 448
<b>6.13</b>	Risk & Compliance Update - report by the Chief Risk Officer, Lothian Pension Fund (circulated)	449 - 462

## **7. Motions**

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**7.1** If any

## **8. Resolution to Consider in Private**

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**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**

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## Nick Smith

Service Director, Legal and Assurance

## Committee Members

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Councillors Watt (Convener), Burgess, Nols-McVey, Ross and Whyte; 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

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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).

The meeting will be via conference call and will be monitored by Kim Russell. The [Committee Terms of Reference](#) and [Procedural Standing Orders](#) are available online. The meeting is open to all members of the public.

## Pension Board Members

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Alan Williamson, Brian Robertson, Darren May, Sharon Dalli (chair), Thomas Carr-Pollock, Tom Howorth, Tony Beecher, Jill Brownell and Kevin McGuire.

## Information about the Pension Board

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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. All Pension Board members attend the Pensions Committee meeting and two members of the Pension Board also attend the Pensions Audit Sub-Committee.

More details regarding the role of the board can be found at the LPF website <https://www.lpf.org.uk/us>.

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## **Independent Professional Observer**

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Alison Murray

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

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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.

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

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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.

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

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

David Vallery, Chief Executive Officer

Emmanuel Bocquet, Chief Investment Officer

Kerry Thirkell, Chief Risk Officer

Karlynn Sokoluk, Chief Operating Officer

Alan Sievwright, Chief Finance Officer

Helen Honeyman, Chief People Officer

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### **Further Information and Contact**

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If you have any questions about the agenda or meeting arrangements, please contact Kimberley Russell, Company Secretary, Lothian Pension Fund, PO Box 24158, Edinburgh EH3 1GY, Tel 0333 996 1587, email [rus12k21@lpf.org.uk](mailto:rus12k21@lpf.org.uk).

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