

## Pension Fund Committee Statement

26th June 2025

As chair of the Redbridge Council Pension Fund Committee, I would like to make a brief but important statement to clarify the legal framework under which the Committee operates, particularly in light of persistent and misleading claims being circulated both online, via leaflets and at rallies.

Let me state this unequivocally: the Redbridge Pension Fund is not made up of taxpayer money. It comprises contributions from employees and employers in the scheme and is governed by specific statutory and fiduciary obligations.

The Council's own funds are only invested either in highly capitalised and regulated banks, in the form of time deposits, or in UK property assets.

As Committee members, our duty is to act in the best financial interests of the 18,000 fund members. These responsibilities are not subject to political pressure or activist campaigns. They are grounded in law.

In fact, our position aligns directly with Law Commission Report No. 350 (2014) – Fiduciary Duties of Investment Intermediaries. That report states that non-financial considerations can only be considered: "...provided that doing so would not involve significant risk of financial detriment to the scheme and where they have good reason to think that scheme members would support their decision."

To date, I have received only one written concern from a member of the fund to which I responded with the factual position. I have not heard from him since.

That is one response out of 18,000 members. This does not constitute a mandate for divestment.

Moreover, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, under Regulation 7(5), require that:

"The authority must consult such persons as it considers appropriate as to the proposed contents of its investment strategy."

This means that if any material change to our investment strategy - such as divestment - were to be considered, there is a statutory requirement to undertake appropriate due diligence, including taking expert advice and consulting with stakeholders where appropriate.

We cannot and will not bypass that process

I have personally written to a Redbridge based campaign group on several occasions, explaining this framework

Despite this, they continue to publicly assert that this is “our money” - a claim that is not only factually wrong, but deliberately misleading.

Let me be absolutely clear: we are committed to the rule of law. If we allowed pressure groups to dictate investment decisions without regard to regulation or fiduciary responsibility, we would undermine the very principles of good governance.

We would have chaos - investing or divesting based on personal decisions or political fashion. The legislation exists precisely to prevent this.

However, it is also important to stress that the Redbridge Pension Fund takes ethical and responsible investment extremely seriously. Through our pooling arrangement with London CIV, we actively consider Environmental, Social and Governance (ESG) factors when selecting fund managers and reviewing investment performance.

The vast majority of our assets are invested in broad, diversified global markets, including sectors such as healthcare, technology, education, infrastructure, and clean energy. We do not knowingly invest in any company or sector that violates international law or the fund’s ESG principles.

The London CIV ESG criteria are far more stringent than anything you are likely to see elsewhere.

Where possible, we aim to align financial objectives with ethical and moral considerations - but always within the clear legal parameters set by our fiduciary duty. In fact, back in November at Full Council, we made a public commitment to explore more impact investment opportunities.

For example, we are interested in projects that can provide access to clean water in developing countries - an initiative that has far-reaching benefits, such as enabling girls to attend school, reducing violence against women and girls, and lowering the spread of disease. Our focus is not only financial - it is also impactful and transformative.

We track the global economy primarily through index-linked funds and take a diversified investment approach. The fund is currently invested across a wide range of asset classes, including equities, fixed income, property, private markets, and now increasingly in sustainable assets.

In 2024 the Fund made a meaningful commitment to a UK Housing Fund, supporting the development of affordable housing for residents across the country, while earlier this year, we committed £50 million to investment in natural capital - namely, sustainable farming and forestry - reinforcing our support for climate resilience and biodiversity.

We also remain fully engaged with the Local Authority Pension Fund Forum (LAPFF), where we raise any concerns through collective engagement with companies and policymakers. Our work is supported by a professional actuary who assesses the profile of our membership, alongside an independent investment advisor who helps us evaluate and select appropriate investment options.

Furthermore, over 20% of our portfolio is currently invested in a low-carbon fund, underscoring our ongoing commitment to green initiatives and a just transition.

Each year, we publish a comprehensive Pension Fund Annual Report and Accounts, which is available publicly on the Council's website.

This report includes key documents such as the Communication Policy Statement, Governance Compliance Statement, Investment Strategy, Funding Strategy, and our Asset Allocation Strategy. We are fully committed to transparency and accountability in everything we do.

Public statements, no matter how passionately delivered, do not override statute. Our role is to operate within the legal framework - and we will continue to do so.

I ask all attendees to respect that process and the integrity of the Pension Fund Committee.

We are not here to play politics.

We are here to do our duty - lawfully, responsibly, and in the best interests of the scheme's members.

Thank You.

A handwritten signature in black ink, appearing to read 'Tanweer Khan' with a stylized initial 'T'.

**Tanweer Khan**  
**Labour Councillor - Mayfield Ward**  
**Chair of Pension Fund Committee**  
**London Borough of Redbridge**

