

MINIUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT COMMITTEE HELD ON THURSDAY, 5TH JULY, 2018

MEMBERS: Councillors Mahmut Aksanoglu, Ergun Eren, Derek Levy and Doug Taylor (Chair)

Officers:

Fay Hammond (Director of Finance), Paul Reddaway (Head of Finance) and Tariq Soomauroo (Governance & Scrutiny Officer)

Also Attending: Rohan Meswani (Aon), Daniel Carpenter (Aon)

1. WELCOME & INTRODUCTION - 10.45

Councillor Taylor (Chair) welcomed everyone to the meeting.

Apologies for absence were received from Councillor Neville, Councillor Stewart and Carolan Dobson. Apologies for lateness were received from Councillor Aksanoglu.

Matters arising:

- All Aon reports to be published are to be treated as Part 2
- Local Pension Board Chair (Councillor Orhan) to be invited to future meetings
- Pension Policy & Investment Chair (Councillor Taylor) to be invited to the Local Pension Board meetings
- Papers to pass resolution before being published as part 2 quoting” (This item will contain exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person – including the authority holding that information) of Schedule 12A to the Local Government Act 1972, as amended)
- Part 1 items to be administered and held in Enfield where appropriate.

2. DECLARATION OF INTERESTS

Councillor Taylor declared that he was a Governor of Capel Manor College (A scheduled body in London Borough of Enfield Pension Fund).

3. INTRODUCTION TO THE ENFIELD PENSION FUND

PENSION POLICY & INVESTMENT COMMITTEE - 5.7.2018

The Chair (Councillor Taylor) and Paul Reddaway (Head of Finance) presented an introduction to the Enfield Pension Fund.

NOTED

- Outline of the corporate governance within the LGPS
- Explanation of the inter-relationship of various bodies connected to the governance and management of the fund
- The ISS (Investment Strategy Statement) sets out responsibilities relating to the overall investment policy of the Fund including asset allocation, restrictions on investment types, method of investment management and performance monitoring.
- The key issues facing the Pension Fund over the coming year.

Training element /CPD – 30 minutes

4. TRAINING PROGRAMME FOR NEW MEMBERS - 11.15AM

Paul Reddaway (Head of Finance) went through the training programme.

Noted:

- Formal training/CPD plan to be developed in line with CIPFA & Pension regulator code of practise
- Online training programme available by the Pension regulator (5 Days to complete)
- LGA training to take place in Autumn
- It was highlighted if day time training is an issue it could be rescheduled in the evenings.

5. DRAFT ANNUAL PENSION FUND ACCOUNTS

Paul Reddaway (Head of Finance) presented report on Pension Fund accounts.

Noted:

- Final audit certificate to be produced at the end of July and will be reported to the Audit Committee and Pension Board
- Management fees now include trading costs of managers as well as management fees – this is a move to have greater transparency of costs
- Administration have increased representing by a one-off cost for computer software
- Cost of Pensions have increased due to more pensioners and early retirees
- Contributors have fallen due to less people paying into fund
- Cash deposits have increased, this is a timing issue and cash holding will be deployed during 2018/9.

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6. MINUTES OF PREVIOUS MEETINGS: 12 APRIL 2018

Minutes of the previous meeting 12 April 2018 **AGREED**.

7. ENFIELD INVESTMENT STRATEGY STATEMENT

Fay Hammond (Director of Finance) presented the report.

Noted:

- One Member of the public enquiring regarding fossil fuels
- It was recommended to meet with other authorities to see how they are dealing with fossil fuels
- The Committee will consider the wider issues around corporate governance and ESG issues.

AGREED:

- To meet with LB of Southwark and LB of Waltham Forest Council LAPFF and Share Action regarding fossil fuels
- Fay Hammond to respond to query.

8. INVESTMENT STRATEGY & ACTUARIAL DISCOUNT RATE

Aon Representatives went through report

Noted:

- A return target needs to be set
- Changes to strategy have an impact on discount rates
- Review every three years to assess financial health and looking at contributions to be paid.
- Estimates are to be made on cash flow for the next 80 years
- Cash to be generated from assets and investment returns.

9. APRIL 2018 FIXED INCOME REVIEW: OVERVIEW

Aon Representatives Went through report

Noted:

- Redistribute £50million Cash in Multi Asset Credit
- Multi asset credit team to meet with research team.

AGREED

- Session to review why we are making investment
- Invite CIV and JP Morgan.

PENSION POLICY & INVESTMENT COMMITTEE - 5.7.2018

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11. QUARTERLY PERFORMANCE REPORT - 31 MARCH 2018

Aon representatives went through the report

Noted

- Asset performance negative over quarter
- Markets have recovered in 2nd Quarter
- Asset Value 31st March at £1.1 Billion.

Key developments

- Received capital back from hedge fund manager
- Equity transaction will be completed over July.

12. 2018/19 BUSINESS PLAN

Paul Reddaway (Head of Finance) outlined the work of the Committee over the year. He explained that the business plan will be taken the next Pension Board – they will then select areas of the work plan to review and scrutinise.

13. AOB

To schedule future meetings earlier.

14. Date of next meeting

Wednesday 1st August 2018.