

MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD HELD ON THURSDAY, 18TH JULY, 2019

MEMBERS: Councillors Ayfer Orhan, Vicki Pite, Andy Milne and Paul Bishop (LPM Member), Victor Ktorakis (LPM Member), Tracey Adnan (LPM Member) and Pauline Kettless (LPM Member)

Officers: Paul Reddaway (Head of Finance Pension Investments), Bola Tobun (Finance Manager Pensions & Treasury), Tim O'Connor (Pensions Manager), Gareth Robinson (Head of Service, Corporate Finance) and Susan O'Connell (Governance & Scrutiny Officer)

Also Attending: Isabella Wilson (Work Experience)

151. WELCOME & INTRODUCTIONS

Members introduced themselves and were welcomed to the meeting.

Apologies were received from Androulla Nicou and Julie Barker.

152. ELECTION OF CHAIR AND VICE CHAIR (5 MINUTES)

Cllr Orhan was appointed the Chair of the Local Pension Board Committee.

Paul Bishop (Unison) was appointed as Vice Chair of the Local Pension Board Committee.

153. DECLARATION OF INTERESTS - CONFLICTS OF INTEREST (5 MINUTES)

Cllr Milne declared a non-pecuniary interest as a member of a Local Government Pension scheme.

Cllr Pite declared a non-pecuniary interest as a member of a Local Government Pension scheme.

Cllr Orhan declared a non-pecuniary interest as a family member is a member of a Local Government Pension Scheme.

Victor Ktorakis declared a non-pecuniary interest as a Local Government Pension scheme.

Paul Reddaway advised that in future any declarations of interest must be published on the council's website for all Members of the Local Pension Board.

154. MINUTES OF THE MEETING 28 MARCH 2019 (5 MINUTES)

The minutes of the meeting 28 March 2019 were agreed.

155. STANDING ITEMS (10 MINUTES) PAUL REDDAWAY

- a. Register of breaches of the law- there were no breaches of the law. Paul Reddaway advised that in future any breaches must be published on the website.
- b. Risk Register- since the last meeting 3 actions had been added as follows:
 - Succession planning, this has already been achieved and will now come off the register
 - Impact of moving to a low carbon investment strategy, this is an agenda item so will be discussed further as part of this
 - Impact of McCloud Judgement, this is being worked on and will come back to the Board at their next meeting
- c. Governance review progress- noted
- d. Local Pension Board Terms of reference- this had been included for new members and as a reminder for existing members.

The chair requested that the minutes record the political risk of ensuring that decision are made on a judicial basis rather than political intent. The committee should reflect on investment decisions to increase and protect invest for members as opposed to political aspiration.

Members were advised that the legal framework sets out the judicial responsibilities of the Pension fund to provide the best return for given level of risk.

156. ROLE & RESPONSIBILITIES- TRAINING ITEM (20 MINUTES) BOLA TOBUN

Bola Tobun (Finance Manager, Pensions and Treasury) introduced this item and went through the slides in detail.

NOTED

- This information provided an overview and an induction for board members
- On MAT's (Multi Academy Trusts) when these are based both inside and outside of the borough. A discussion will be held between authorities and is often determined by where the majority of employees are based where the pensions are held.
- All documents that are required to form part of the Annual Report of the London borough of Enfield Pension Fund will be published on the Council's website. This document also comes to the board on an annual basis.

The Chair thanked Bola for this very helpful presentation.

157. TRAINING POLICY - 2019/20 PROGRAMME (10 MINUTES) PAUL REDDAWAY

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Paul Reddaway (Head of Finance Pension Investments) introduced the training programme

NOTED

- This covered the training expectation for the Pensions Policy and Investment Committee (PPIC) and the Local Pension Board and accordingly this paper had also been received at the first meeting of the committee in June.
- Board members attention was drawn to the Pension Regulators training which could be undertaken individually or as workshop training. Board members were keen to undertake this as a workshop.
- A training date was agreed of the 3rd September for training, officers would liaise with members unable to attend this date.

AGREED

1. Recommendation 2.1 of the report that the Board will undertake ongoing training to meet the Pension Regulator (tPR) requirements
2. The Board will also review training undertaken by the PPIC.

158. ENFIELD PENSION REVIEW OF ITS EXPOSURE TO CARBON (20 MINUTES) PAUL REDDAWAY

Paul Reddaway (Head of Finance Pensions Investments) introduced the report

NOTED

- The PPIC has been looking at responsible investment over the last year.
- The Board was advised that the report had been to Cabinet
- It was not possible to invest in only Carbon free passive fund but could consider moving to a low Carbon Fund
- The local authority does not have control over the equity investment within the London CRV.
- It is important to engage and change investment behaviours over a long period of time.
- Discussion held on consultation previously agreed by the PPIC but not undertaken.

AGREED

1. The Chair noted her expectation that there would be a consultation with Active Members of the Pension Fund on Carbon Emissions and that the Annual Benefit Statement would be an opportunity to engage with members. The timing of sending the Annual Benefit Statement to the printers and the need for the PPIC Chair to formally respond to the Council means that an alternative approach has been agreed.
2. The Head of Corporate Finance has agreed to produce a list of potential questions to the Chairs of the Pensions Board and the Chair

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of the PPIC for early review and challenge before circulating them to the wider membership of the two Council bodies. This is to allow the PPIC time for feedback prior to the next committee meeting while also complying with the legal requirement that such a consultation is the responsibility of the PPIC. Details as to how the Pension Fund will consult would be presented at the next PPIC (by post, use of the microsite et al).

3. Recommendation 2.1 of the report – that the Board notes the report and that actions that are agreed at the September PPIC are to be bought back to the next Pension Board for consideration.

159. LGPS CONSULTATION ON CHANGES TO VALUATION CYCLE AND MANAGEMENT OF EMPLOYER RISK (10 MINUTES) BOLA TOBUN

Bola Tobun presented this report

NOTED

- This is a current consultation and the key proposals are detailed within the Executive Summary
- Officers are currently putting together a response on this which will be circulated to both the PPIC and Board members for comments. The deadline for comments will be the 30 July 2019 as the deadline for the response is the 31 July 2019.

AGREED

Recommendation 2.1 to note the content of the report on the proposed changes and the approach set out for the fund to follow in responding to the consultation.

160. DRAFT 2018/19 PENSION FUND STATEMENT OF ACCOUNTS (10 MINUTES) PAUL REDDAWAY

Paul Reddaway presented this item

NOTED

- The draft accounts subject to Internal audit had been received last night and were tabled at the meeting for information
- Valuations had come in after the draft accounts had been submitted these will be changed to the actual figures.
- The fund had grown and management fees had increased.
- Training on the accounts will be covered on the 3rd September.
- As these accounts were received at the meeting. Board members were advised that they could email officers with questions once they had time to digest the information.

161. PENSION POLICY & INVESTMENT COMMITTEE UPDATE 13TH JUNE (10 MINUTES) PAUL REDDAWAY

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This item would normally be presented by the Chair of the PPIC, unfortunately Cllr Leaver was unable to attend, so these were presented by Paul Reddaway.

NOTED

- This was a new committee. Training expectations and the work programme had been discussed.
- The committee looked at the quarterly performance and what had happened over the last year. The fund had been in the top quartile over the year

162. DATES OF FUTURE MEETINGS

The dates of future meeting were noted.

The Board were asked to note the dates of the PPIC as follows:

- 5 September, 4.45am
- 21 November, 10:45am
- 27 February 2020, 10:45am

Board members were invited to attend the meeting on the 5 September where there will be a training item as part of the agenda.

The Chair thank Paul Reddaway for all his sterling work, commitment and knowledge.

The Chair also thanked all Board members for accommodating the change of time of this meeting.