



**PENSION POLICY & INVESTMENT
COMMITTEE**

Thursday, 27 January 2022 at 10:00 am
Conference Room, Civic Centre, Silver
Street, Enfield, EN1 3XA

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PENSION POLICY & INVESTMENT COMMITTEE

**Thursday, 27th January, 2022 at 10:00 am in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

Councillors:

AGENDA – PART 1

1. WELCOME AND INTRODUCTIONS

2. DECLARATION OF INTERESTS

Members are asked to declare any disclosable pecuniary, other pecuniary or non-pecuniary interests relating to items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING 25 NOV 2021 (Pages 1 - 4)

To agree the minutes of the previous meeting

4. PENSION BOARD UPDATE

To receive verbal update from Bola Tobun

5. KEY DEVELOPMENTS ON INVESTMENTS & ASSET MANAGERS

To receive verbal update from Bola Tobun

6. LOCAL GOVERNMENT PENSION SCHEME

To receive verbal update on LGPS from Bola Tobun

7. DRAFT ENFIELD PENSION FUND BUSINESS PLAN AND PPIC WORK PLAN FOR 2022/23 (Pages 5 - 20)

Pension Policy and Investments Committee are recommended to:

- a) note and approve the Business Plan attached as Appendix 1 to this report;
- b) note and approve the work plan for 2022/23 attached as Appendix 2; and
- c) To note Asset Managers Monthly Meeting Schedule at Appendix 3.

8. ENFIELD PENSION FUND CASHFLOW FORECAST 2022/23 TO 2024/25 (Pages 21 - 30)

Pension Policy and Investments Committee are recommended to:

- a) note and approve the Revenue Budget for 2022/23 (Appendix 1); and
- b) note the cashflow forecast from operational activities for 2022/23 and 2023/24 attached as Appendix 1.

9. LONDON CIV - AMENDMENTS TO SHAREHOLDER AGREEMENT (SHA) AND ARTICLES OF ASSOCIATION (AA) (PART2) (Pages 31 - 44)

Pension Policy and Investments Committee are recommended:

- i) To note the contents of this report;
- ii) To consider the changes proposed to the LCIV constitution; Shareholders Agreement and Article of Association (attached as exempt Appendix1);
- iii) To agree to the proposed changes and delegate the signing of the amended AA and SHA and consequential documents to the Executive Director of Resources in consultation with the Director of Law and Governance and
- iv) To agree to sign the Shareholders resolution (attached as Exempt Appendix 2).

10. PACMA INVESTMENT CONSULTANT STRATEGIC OBJECTIVES REVIEW- AON (PART 2) (Pages 45 - 56)

Pension Policy and Investments Committee are recommended to

- a) To note the submission of the statement at Appendix 1 to the CMA in line with requirements;

- b) Note the strategic objectives approved March 2021 as set out in Appendix 2; and
- c) Note the assessment of the performance against the objectives approved March 2021 as set out in Appendix 3.

- 11. AGM –AGENDA PLANNING (PART 2)**
- 12. FURTHER DISCUSSION ON RESPONSIBLE INVESTMENT POLICY AND NET ZERO IMPLEMENTATION PLAN (PART 2)**
- 13. AOB**

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PENSION POLICY & INVESTMENT COMMITTEE - 25.11.2021**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT
COMMITTEE
HELD ON THURSDAY, 25 NOVEMBER 2021****COUNCILLORS**

PRESENT Tim Leaver, Claire Stewart, Doug Taylor, Edward Smith and Terence Neville OBE JP

ABSENT

OFFICERS: Matt Bowmer (Interim Director of Finance) and Bola Tobun (Finance Manager (Pensions and Treasury))

Also Attending: Daniel Carpenter (Aon), and Joe Peach (Aon),

**1
WELCOME AND APOLOGIES**

Councillor Tim Leaver (Chair) welcomed everyone to the meeting.

**2
DECLARATIONS OF INTEREST**

Cllr Stewart declared she is now working for one of the major negotiators in Local Government Pension Schemes.

**3
MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 30 September 2021 were agreed as a correct record.

**4
PENSION BOARD FEEDBACK**

There has been no meeting of the Pension Board since the last Pension Policy & Investment Committee. The minutes from the last Pension Board Minutes will be circulated to the committee.

**5
QUARTERLY INVESTMENTS UPDATE - 30 SEPT 21**

Bola Tobun highlighted the following points from the report:

- We have £1.5b of funds – 12% overfunded

PENSION POLICY & INVESTMENT COMMITTEE - 25.11.2021

- The committee are to agree to approve investment in Adam Street. Last years investment was missed. It was recommended we commit to a £20m investment this year.
- LCIV continue to review Longview due to their current performance.
- By the end of this month, we will be able to put money into the liquid credit fund.
- LCIV announced all investments managers are performing well other than Longview and CQS. CQS will be blending with Pimco.
- We didn't take part in Adam Street last time, due to delay in reviewing the legal agreement. Legal documents have been reviewed by Sackers and we are ready to invest in the Fund.
- Aon commented that in recent years Longview underperformed which concerned LCIV, relating to style drift, shorter underperformance, and staff turnover. LCIV should complete their review by next month.
- The chair noted that we would discuss Longview at the next meeting and then make a decision.

Aon highlighted the following points:

- Combined performance is strong, assets have increased. As of 30th September, the funding level is 112%.
- Very strong absolute performance over the last 12 months from our equity managers.
- The chair requested to compare the last 12 months on the relation allocation section of the dashboard

Action: Bola to circulate the cost of the transition to Paris Align mandate.

Agreed: \$20m to go into Adam Street Fund

6

MARKET AND PORTFOLIO UPDATE

Aon highlighted the following points:

- In October equity markets were up in most regions, particularly in US. One which struggled was Japan, due to PM elections.
- Rates expected to rise in UK in November but they did not.
- Inflation and growth to peak next year.
- US market led the global equity market this year.
- An increase of 23m at the end of October, Giving the fund value 1.52m. The main increase from equities.

PENSION POLICY & INVESTMENT COMMITTEE - 25.11.2021

7

QUARTERLY LAPFF ENGAGEMENT UPDATE

- Bola advised the committee to make them aware if there is anything they want them to respond on the report
- Cllr Neville commented it would be useful to see information relevant to companies we invest in, rather than all companies. Bola confirmed the report is based on MSCI, which we use, so most of the companies they are engaging with we will be investing in.
- Report was noted and will be made more targeted to our fund next time.

8

ENFIELD PENSION FUND FOSSIL FUEL EXPOSURE REPORT AS AT 30 SEPTEMBER 2021

- Aon highlighted they engage with all managers to establish fund exposure to oil, gas and coal. At the end of September the funds exposure to fossil fuel was 1.2% of its overall value, at 17.7m
- A number of managers have 0 exposure. We will continue to monitor these.
- With the revised strategy, it is expected that the percentage will go down. The percentage has gone up more than last quarter due to energy prices increasing.

9

PROCUREMENT EXERCISE UPDATE

- Bola notified the committee. There are some outstanding procurement we are doing for next year, currently putting material together.
- Cllr Taylor commented that if we want meaningful it would be useful to have criteria for the framework so it can be better understood. The committee should have an input on what the criteria should be.
- Matt Bowmer advised the cost shouldn't be the greatest driver, it should be the value. The current split between price/quality is 40/60. Each fund has the cope to amend the balance as they see fit.
- Chair (Cllr Tim Leaver) proposed an online meeting to look at discussing the LGPS in January then report back in formal meeting.
- Matt Bowmer explained the preference would be to go from the framework if we can, we are currently operating to a similar framework. A short paper can be prepared to look at the pros and cons of the options, which can be done in online January meeting.
- Agreed to go through a process, of an online meeting which will report back to committee.

PENSION POLICY & INVESTMENT COMMITTEE - 25.11.2021

10

STRATEGIC OBJECTIVES FOR THE INVESTMENT CONSULTATION

- Notice to the committee to with an update for us to comply with the CMA regulations.
- We need to submit another letter to CMA with set objectives for them. It will be sent on 7th Jan. Bola will bring the report and letter to the next meeting.

11

LONDON CIV- AMENDMENTS TO SHAREHOLDER AGREEMENT (SHA) AND ARTICLES OF ASSOCIATION (AA)

- There was an error in the shareholder agreement of the LCIV. They went back to FCA and they were happy with them as long as all the shareholders signed the amendment. We need to sign the agreement.
- Legal team were sent the agreement for review and came back on 22 November 21. Committee to delegate authority of section 151 officer so it can be signed off once we have clearance.
- Cllrs commented we need to have confirmation from 151 officer and legal. If there is a decision we need to know underlying issues.
- The chair tabled this item to the next meeting.

12

FORMALISING NEXT STEPS HIGHLIGHTED FROM THE RESPONSIBLE INVESTMENT STRATEGY WORKSHOP WITH FURTHER DISCUSSION ON RESPONSIBLE INVESTMENT POLICY AND NET ZERO IMPLEMENTATION PLAN

An informal meeting was held last week to discuss how the committee can monitor the responsible investment policy.

- There will be 6 monthly reviews on the strategy, the first will cover the true cost monitoring and understanding what other organisations and committees do.
- Our target is 2030, other organisations have targets of 2040/50.
- The first meeting will be held in February 2022 and reported back to the committee.

Agreed to the proposed informal 6 monthly reviews.

13

AOB - AGM PLANNING UPDATE

- Matt Bowmer/Bola Tobun to bring short paper to next meeting on clean energy.

London Borough of Enfield**PENSION POLICY AND INVESTMENT COMMITTEE****Meeting Date: 27 January 2022**

Subject: Draft Pension Fund Business Plan and PPIC Work Plan for 2022/23**Cabinet Member: Cllr Maguire****Executive Director: Fay Hammond****Key Decision: []**

Purpose of Report

1. The purpose of this report is to review the business plan for the Pension Fund that outlines the Fund's goals and objectives in delivering the Council's statutory function as the administering authority of the London Borough of Enfield Pension Fund.
2. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.
3. The London Borough of Enfield Pension Fund represents an asset to the Council in terms of its ability for attracting and retaining staff who deliver services to residents. The adoption of a Work Plan should lead to more effective management of the Fund.

Proposal(s)

4. Pension Policy and Investments Committee are recommended to:
 - a) note and approve the Business Plan attached as Appendix 1 to this report;
 - b) note and approve the work plan for 2022/23 attached as Appendix 2; and
 - c) To note Asset Managers Monthly Meeting Schedule at Appendix 3.

Reason for Proposal(s)

5. Under the Local Government Pension Scheme (LGPS) Regulations, the Council is required to maintain a Pension Fund for its employees and other scheduled bodies as defined in the Regulations. The Regulations also empower the Fund to admit employees of other defined (e.g. other public bodies, housing corporations) bodies into the Fund.

6. The proposed business plan and budget for the Fund has been put together to assist in the management of the Fund and to ensure that the Council is able to perform its role as the administering authority in a structured way. The Business Plan and the budget are not intended to cover all aspects of Pension Fund administration and management; rather they are designed to assist with meeting part of its delegated function as administering authority to the Fund.
7. The Pension Policy and Investment Committee is charged with meeting the duties of the Council in respect of the Pension Fund. Therefore, it is appropriate that the Committee formally adopts a work plan to assist with the discharge of its duties.

Relevance to the Council's Corporate Plan

8. Good homes in well-connected neighbourhoods.
9. Build our Economy to create a thriving place.
10. Sustain Strong and healthy Communities.

Background

OVERVIEW OF THE WORK OF THE COMMITTEE

11. The Council has specific delegated functions that it has to fulfil as the administering authority to the Pension Fund. This requires that a number of monitoring and management activities are undertaken to ensure that it fully discharges its oversight and governance responsibilities to the Fund.
12. The key decision making for, and management of, the Fund has been delegated by the London Borough of Enfield (the Council) to a formal Pension Committee, supported by officers of the Council and advisers to the Pension Fund. The Section 151 Officer has a statutory responsibility for the proper financial affairs of the Council including Fund matters. A local pension board is in place to assist with:
 - securing compliance of Fund matters and
 - ensuring the efficient and effective governance and administration of the Fund.
13. It is appropriate that the Committee should set out how it intends to fulfil its obligations as the delegated authority appointed by the Council to be responsible for the Fund. Adopting a planned approach should make monitoring easier for the Committee and ensure that activities critical to the effective management of the Fund are being undertaken.
14. **The primary objectives** of the Fund are sub-divided into specific areas of ***governance, funding, investments, administration and communications*** which are covered in turn below.

15. **Governance Objectives**

- i) All staff, Pension Board and Pension Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
- ii) The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties.
- iii) To understand and ensure compliance with all relevant legislation.
- iv) To ensure the Fund aims to be at the forefront of best practice for LGPS funds
- v) Ensures the Fund manages Conflicts of Interest

16. **Funding Objectives**

- vi) To ensure the long-term solvency of the Fund.
- vii) To help employers recognise and manage pension liabilities as they accrue.
- viii) To minimise the degree of short-term change in the level of each employer's contributions where the Administering Authority considers it reasonable to do so.
- ix) To use reasonable measures to reduce the risk to other employers and ultimately to the Council Taxpayer from an employer defaulting on its pension obligations. (Including: addressing the different characteristics of disparate employers or groups of employers to the extent that this is practical and cost effective).

17. **Investment Objectives**

- x) Optimising the return on investment consistent with a prudent level of risk
- xi) Ensure that there are sufficient assets to meet the liabilities as they fall due (i.e. focus on cash flow requirements)
- xii) Ensure the suitability of assets in relation to the needs of the Fund (i.e. delivering the required return).
- xiii) Ensuring that the Fund is properly managed (and where appropriate being prepared to change).
- xiv) Set an appropriate investment strategy for the Fund to allow the Administering Authority to seek to maximise returns (and minimise the cost of benefits) for an acceptable level of risk'). Ensure return seeking assets are in line with Funding objectives.

18. **Administration Objective**

- xv) To deliver an efficient, quality and value for money service to its scheme employers and scheme members.

19. **Communications Objective**

Ensure that all stakeholders are kept informed of developments within the Pension Fund. Ensuring that all parties are aware of both their rights and obligations within the Fund.

WORK PLAN

20. In designing the work plan, the priorities of the Council as the administering authority of the Fund have been considered and incorporated into the Fund Business Plan. The Pension Policy and Investment Committee Work Plan was developed using the business plan attached as appendix 1 to this report.
21. Following on from our ESG position with an increased expectation from cabinet/council, the Committee are still consulting with Aon Responsible Investment Specialist to define and set ESG targets to assist in monitoring the Fund ESG positions. Two workshops will be dedicated to work on this prior to September and November meetings.
22. The Committee members are meeting with Asset Managers every month for clarification and better understanding of each fund manager responsible Investment Policy and how they can work effectively with the Fund.
23. An annual Work Plan will be presented to the Committee for agreement. The Work Plan should be presented to the Committee by the last Committee meeting of the prior financial year to which the Work Plan applies.

Safeguarding Implications

24. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

25. Public Health Implications

26. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

27. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

28. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

29. A Business plan, work plan and budget should result in a more efficient process of managing the Pension Fund.
30. The adoption of a work plan will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with

the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

31. Lack of robust governance inevitably involves a degree of risk. The successful identification, monitoring and control of risk are therefore central to the Council's pension fund management.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

32. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

33. This report revised the work plan with updated timetable for the development of the Fund's 2021 Investment Strategy review. The development of a robust investment strategy helps the Fund to take an ordered and prudent approach to the management of its assets, helping to manage the long term costs associated with the Pension Fund.
34. Spending time developing the investment strategy helps to ensure that the Committee are fulfilling their responsibilities as quasi Trustees of the Fund and that the Fund's investment objectives and policies are clearly set out in line with the Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2016.

Legal Implications

35. Administering authorities are now bound by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 which have replaced the 2009 Regulations. These regulations set out an administering authority's statutory duties in ensuring the proper administration and management of its pension fund.
36. The Council must take proper advice at reasonable intervals about its investments and must consider such advice when taking any steps in relation to its investments.
37. One of the functions of the Pension Policy and Investment Committee is to meet the Council's duties in respect of investment matters. It is appropriate having regard to these matters, for the Committee to receive information about budgetary matters. The Committee's consideration of the information in the report contributes towards the achievement of the Council's statutory duties.
38. Members of this Committee are required by the Council's Constitution to consider pension matters and meet the various statutory obligations and the duties of the Council. This Work Plan provides for certain statutory requirements to be met and for members to be well trained and kept up to date and thus fit for purpose.

39. When making decisions regarding investment of pension funds, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Workforce Implications

40. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

41. None

Other Implications

42. None

Options Considered

43. The development and implementation of a work plan should ensure that a structured approach is in place for the monitoring and management of the Pension Fund. This should in turn ensure that the Council meets its statutory obligations as administering authority to the Fund. However, the Committee is under no obligation to adopt a work plan in carrying out its duties.

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Date of report 30th December 2021

Appendices

Appendix 1 – Enfield Pension Fund Business Plan

Appendix 2 – Pension Policy and Investment Committee Work Plan for 2022/23

Appendix 3 – Asset Managers Monthly Meeting Schedule

Background Papers - None

Appendix 1

BUSINESS PLAN 2022-2025

In order to meet the objectives of the Pension Fund, the Pensions Board has to review the business plan and the Pensions Committee has to review and agree the business plan for the period 2022-2025. This has to be put into the context of a period of significant uncertainty for the Fund, which reflects not just ongoing volatility in investment markets, but also measures for structural reform which could have a fundamental impact on the overall management of the Fund.

The purpose of the business plan is to:

- a) explain the background and objectives of London Borough of Enfield for the management of the Enfield Pension Fund
- b) document the priorities and improvements to be implemented by the pension administration service during the next three years to help achieve those objectives
- c) enable progress and performance to be monitored in relation to those priorities
- d) provide staff, partners and customers with a clear vision for the next three years.

Set out in the table below is the three year business plan for the Pension Fund:

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Governance Objectives				
Draft Pension Fund Accounts	March - May	March - May	March - May	1,2,3,7,13,15,16
Approve Final Pension Fund Annual Report & Accounts	June - November	June - November	June - November	1,2,3,7,13,15,16
Employer Forum	November - January	November - January	November - January	3,4,7,8,9,15,16
Review Risk Register	Quarterly	Quarterly	Quarterly	1,2,5,6,7,8,9,10,11,12,13
TPR Code of Practice	Quarterly	Quarterly	Quarterly	1,2,3,4,5
Governance Policy Review	December - March	December - March	December - March	1,2,3,4,5
Self-Assessment & Review of Advisers	December - March	December - March	December - March	1,2,3,4,5
Induction Training for New Members	May – July (As Required)	May – July (As Required)	May – July (As Required)	1, 2, 4,15
Member's Training	Quarterly	Quarterly	Quarterly	1,2,4,15
Training Policy Review	November – February	November – February	November – February	1,3,4

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Pensions Board –Annual Reporting	Mar - July	Mar - July	Mar - July	1 - 16
Review Performance, funding and budget	Quarterly	Quarterly	Quarterly	1 - 16
AVC Review	April - June		April - June	1,2,3,4,5
Review Reporting Breaches Policy	September	September	September	10,15,16
Review Conflicts of Interest Policy Review	September	September	September	5
Creation & Review Cessation Policy	April - June	April - June	April - June	5,6,7,8,9,15,16
Funding Objectives				
Preparation and Update of Actuarial Valuation	As Required	As Required	As Required	5,6,7,8,9,15,16
Review of Funding Strategy Statement	As Required	As Required	As Required	5,6,7,8,9,15,16
Investments Objectives				
Review Investment Strategy Statement	February - September	As required	As required	1,3,10,11,12,13, 14 ,15,16
Responsible Investment Policy Review	February - September	As required	As required	1,3,10,11,12,13, 14 ,15,16
Monthly Meeting with Asset Managers	Ongoing	Ongoing	Ongoing	1,4,6,8,9,10,11, 12,13,14
Investment in Paris Aligned and Alternative Fixed Income	April - June			1,2,4,10,11,12, 13,14,15
Investment in Clean Energy, Renewable Energy and or Private Debt	July - December			1,2,4,10,11,12, 13,14,15
Review Investment Consultancy Contract	June	June	June	5,10,11,12,13, 14,15
Review Actuarial Services Contract	September	September	September	5,10,11,12,13, 14,15
Strategic Asset Allocation – Regular Review	Ongoing	Ongoing	Ongoing	1,4,6,8,9,10,11, 12,13,14
Carbon Footprint Audit	Dec - June	Dec - June	Dec - June	5,6,7,8,9,15,16
Pension Fund Treasury Management Strategy	February - June	February - June	February - June	1,9,10,11,12,13, 14,15
Investment Performance Review	Quarterly	Quarterly	Quarterly	1,2,4,10,11,12, 13,14,15
Individual Manager Review	Monthly	Monthly	Monthly	1,2,4,10,11,12, 13,14,15

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Asset/Liability Monitoring	Ongoing	Ongoing	Ongoing	5,10,11,12,13,14,15,16
Collaborative working-London CIV	Ongoing	Ongoing	Ongoing	1,2,4,10,11,12,13,14,15
Pension Administration				
Pension Administration Strategy	April - June	January – March	January – March	1,2,3,7,9,15,16
McCloud Remedial Judgement Monitoring	June - December	June - December	June - December	1,2,3,7,9,15,16
GMP Reconciliation	April-September			1,2,3,15,16
Employer data Improvements	Ongoing	Ongoing	Ongoing	1,2,3,7,9,15,16
Administering Authority Discretions Review	April - June	April - June	April - June	1,2,3,4,5,9,10,15,16
Admitted Bodies Policy	September	September	September	1,2,3,4,5,9,10,15,16
Employing Authority Discretions	April - June	April - June	April - June	1,2,3,4,5,9
Communications				
Annual Benefit Statements	August	August	August	15,16
Auto-Enrolment /Workplace Pensions	Ongoing	Ongoing	Ongoing	1,2,3,15,16
Communications Policy Review	January-March	January-March	January-March	1,2,3,15,16
Annual General Meeting (AGM)	January - March	June/July	June/July	1,2,3,4,7,8,9,15,16

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PENSION POLICY AND INVESTMENT COMMITTEE

Draft Work Plan

2022/23

Date of Meeting	Items	Title of Report / Presentation	Contact Officer
May 2022	1	Members Training – Roles and Responsibilities in LGPS	
	2	Report on Corporate Governance, Stewardship, Engagement & Share Voting	Pension & Treasury Manager
	3	Review of Training & Development Policy	Pensions Manager
	4	London CIV and LGPS update on emerging /current issues	Pension & Treasury Manager
	5	Annual Review of Investment Strategy Statement	Pension & Treasury Manager
	6	Ad Hoc	Various
July 2022	1	Members Training – Private Debt/Equity	
	2	Quarterly Performance Reporting of Fund Managers	Pension & Treasury Manager
	3	Quarterly Administrative Key Performance Indicators Report	Pensions Manager
	4	Review of Draft Pension Fund Account	Pension & Treasury Manager
	5	Review of Investment Advice Service	Pension & Treasury Manager
	6	Carbon Footprint Audit	Pension & Treasury Manager
	7	Final Pension Fund Business & PPIC Work Plan and Budget 2022/23	Pension & Treasury Manager
	8	Ad Hoc	Various
September 2022	1	Members Training – Private Debt/Equity & Investment Strategy	
	2	Quarterly Performance Reporting of Fund Managers	Pension & Treasury Manager
	3	London CIV and LGPS update on emerging /current issues	Pension & Treasury Manager

	4	Quarterly Administrative Key Performance Indicators Report	Pensions Manager
	5	Receive Compliance Checklist for the Pensions Regulator Code of Practice	Pension & Treasury Manager
	6	Review of Actuarial Advice Service	Pension & Treasury Manager Pensions Manager
	7	AGM/Pension members	Various
	8	Ad Hoc	Various
November 2022	1	Members Training – Stewardship	Various
	2	Quarterly Performance Reporting of Fund Managers	Pension & Treasury Manager
	3	London CIV and LGPS update on emerging /current issues	Pension & Treasury Manager
	4	Review of Governance Compliance Statement	Pension & Treasury Manager
	5	Noting of Audit Outcome and Approval of Annual Report and Accounts	Pension & Treasury Manager
	6	Review London CIV services and Report on LCIV update and development	Pension & Treasury Manager
	7	Pension Fund Budget 2022/23 Monitoring and Cashflow Management	Pension & Treasury Manager
	8	Noting of Audit Outcome and Approval of Annual Report and Accounts	Pension & Treasury Manager
	9	Ad Hoc	Various
January 2023	1	Members Training – Voting & Engagement	Various
	2	Review of Risk Register	Pension & Treasury Manager
	3	Receive TPR Compliance Checklist	Pension & Treasury Manager / Pensions Manager
	4	Review of Reporting Breaches Policy and Conflicts of Interest Policy	Pension & Treasury Manager

	5	Draft Pension Fund Business & PPIC Work Plan for 2023/24	Pension & Treasury Manager
	6	AGM	Various
	7	Ad Hoc	Various
March 2022	1	Members Training	Various
	2	Quarterly Performance Reporting of Fund Managers	Pension & Treasury Manager
	3	Quarterly Administrative Key Performance Indicators Report	Pensions Manager
	4	London CIV and LGPS update on emerging /current issues	Pension & Treasury Manager
	5	Review of Reporting Breaches Policy and Conflicts of Interest Policy	Pension & Treasury Manager
	6	Review of custodian service	Pension & Treasury Manager
	7	Employers Forum	Various
	8	Ad Hoc	Various

Appendix 3 - Asset Managers Monthly Meeting Schedule

Date	Asset Class	Managers
15 th April 2022	Fixed Income & Credit	Western Asset Manager Insight LCIV
20 th May 2022	Strategic Workshop	
17 th June 2022	Infrastructure	Antin INPP
15 th July 2022	Inflation Protection Illiquid and Private Equity	CBRE M&G Adam Street
19 th August 2022	Strategic Workshop	
16 th September 2022	Property	LGIM Blackrock Brockton
21 st October 2022	Equity	Blackrock MFS LCIV
18 th November 2022	Fixed Income & Credit	Western Asset Manager Insight LCIV
16 th December 2022	Infrastructure	Antin INPP
20 th January 2023	Inflation Protection Illiquid and Private Equity	CBRE M&G Adam Street
17 th February 2023	Property	LGIM Blackrock Brockton
17 th March 2023	Equity	Blackrock MFS LCIV

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London Borough of Enfield**PENSION POLICY AND INVESTMENT COMMITTEE****Meeting Date: 27 January 2022**

Subject: Enfield Pension Fund Cashflow Forecast 2022/23 to 2024/25**Cabinet Member: Cllr Maguire****Executive Director: Fay Hammond****Key Decision: []**

Purpose of Report

1. This report presents the budget for the Pension Fund for 2022/23 along with the 2021/22 outturn position as at 31st December 2021. It considers income and expenditure from various sources and the impact on these for the Pension Fund in the next financial year.
2. The London Borough of Enfield Pension Fund is open to new entrants however it is maturing fast; hence this report is an update on the Pension Fund's projected cash flow forecast for 2022/23 to 2024/25. The Fund is projecting a £0.930m projected deficit on its income and expenditure at the end of the financial year without any cash draw down from investments. The Fund is expecting a projected cash short fall in 2022/23 and 2024/25 as the Fund expenditure exceeds the income from contributions.
3. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.
4. The London Borough of Enfield Pension Fund represents an asset to the Council in terms of its ability for attracting and retaining staff who deliver services to residents. The review of the cashflow should lead to more effective management of the Fund.
5. A significant element of the Council's budget is the employer's contribution to the Fund. Therefore, any improvement in the efficiency of the Fund that leads to improvement in investment performance or cost savings will likely reduce contributions from the Council and release funds for other corporate priorities.

Proposal(s)

6. Pension Policy and Investments Committee are recommended to:
 - a) note and approve the Revenue Budget for 2022/23 (Appendix 1); and

- b) note the cashflow forecast from operational activities for 2022/23 and 2023/24 attached as Appendix 1.

Reason for Proposal(s)

7. The London Borough of Enfield Pension Fund is part of the wider Local Government Pension Scheme (LGPS). The Scheme as with other LGPS schemes is funded and distinct from 'pay as you go' schemes which are unfunded.
8. The Fund receives contributions and investment income from current members, employers and fund assets which is used to pay benefits as they fall due. Consequently, one of the main objectives of the Fund is to ensure that sufficient funds are available to meet all benefits as they fall due for payment. However, this objective may be jeopardised if the Fund does not maintain sufficient liquidity. The Pension Policy & Investments Committee is charged with meeting the duties of the Council in respect of the Pension Fund.

Relevance to the Council's Corporate Plan

9. Good homes in well-connected neighbourhoods.
10. Build our Economy to create a thriving place.
11. Sustain Strong and healthy Communities.

Background

12. For a number of years, the Pension Fund has received considerably more in contributions than it has paid out in benefits and has therefore experienced strong positive cashflow. Despite ongoing budgetary pressures, active membership has increased thanks to Auto-enrolment and a shift from temporary to permanent staff contracts, whilst the Council's contribution rate has reduced to the over funded position of the Fund from 201 formal valuation outcome. During 2020/21, contributions received exceeded benefits paid by £4.343m, which is relatively consistent with previous years.
13. The outcome of the most recent (2019) valuation has been a reduction in the Council's contribution rate from 22.8% to 20% for 2020/21 to 2022/23. Contribution rates beyond this point will depend on the outcomes of 2022 and future valuations.
14. Additionally, ongoing reductions to the Local Government settlement mean that the Council remains under considerable financial pressure; whilst officers of the Fund are not currently aware of large scale plans for staff reductions, it is prudent to consider that these may be possible.
15. Although the scheme remains open, LGPS funds are beginning to mature, with increasing numbers of pensioners relative to their active membership. Large number of LGPS Funds are now cashflow negative, with many more predicted to become so in the short to medium term. The Fund's contribution

rate is at the lower end of those paid by the LGPS. However, given the ongoing budgetary pressures and planned contribution rate reductions over the next 3 years, it is appropriate to consider cashflow planning in the medium term, to ensure likely notable reductions in the Fund's cashflow are anticipated and plans made accordingly.

16. Increasing scheme maturity and reduced cashflows often necessitate changes to investment strategy. As open schemes, often with substantial deficits, LGPS Funds have tended to use strategies focused on growth, maintaining high allocations to equities. However, this is beginning to change, as deteriorating cashflows require an increased focus on income, to avoid becoming a forced seller of assets. Forward planning is therefore essential to ensure that any necessary changes are made in timely and orderly manner.

PENSION FUND REVENUE ACCOUNT

17. Members are requested to note the pension fund's Revenue Account position and approve the proposed budget for 2022/23 set out in Appendix 1.
18. **2021/22 Actual expenditure** - The estimates for the Pension Fund can be difficult to predict because of the uncertainty surrounding a number of aspects such as transfer values, death grants, and volatility in investment markets. Total expenditure of £48.5m was budgeted for in 2021/22; the actual amount as at 31st December 2021 was £49.2m. This indicates an increase in payments.
19. **2021/22 Actual income** – Total income of £45.4m was budgeted and £39.2m was received as at 31st December 2021. £47.7m budget has been set for 2022/23.
20. **2022/23 Proposed Budget** – As indicated above, the budget can be difficult to predict however the following paragraphs set out some of the assumptions behind the proposed 2022/23 budget estimates set out in Appendix 1.

a) Contribution Receivable

The budget figure is based on 2020/21 activity levels using the contribution rate as stipulated by the actuary plus a 2.5% to reflect the pay award for 2022/23. The Fund is in surplus and there is an overall reduction of some 4% in respect of employers' contribution hence contribution value for 2022/23 is less.

b) Transfer Values In

The level of transfers of staff in and out of the fund is not subject to control by the Council. Transfer values vary significantly depending on length of service, salary and can be either payable or receivable by the authority. It is not possible to make reliable forecasts of the financial effect of transfer activity.

c) Benefits Payable

For 2022/23, the budget figure is based on 2020/21 activity levels with a 1% per annum year on year Pensions Increase also a year on year 2% increase has been applied to the number of pensioners.

d) Payments to account of leavers

The level of transfers of staff in and out of the fund is not subject to control by the Council. Transfer values vary significantly depending on length of service and salary and can be either payable or receivable by the authority. It is not possible to make reliable forecasts of the financial effect of transfer activity.

e) Administrative and other expenses borne by the scheme

These costs are estimated on the basis of planned workloads with a 3.5% allowance for inflation. Costs include officers' time, the cost of provision of accommodation and IT facilities, bank charges, training for officers and members of the pension committee and pension board and professional advisers' fees.

f) Investment Income

Investment Income is assumed at 4% on average assets valuation of £1.1 billion and over 3/4 will be subsequently re-invested by the Fund Managers and also investment income is subjected to tax. This was further reduced based on declaration of some organisations declaring no dividends payments.

g) Change in Market Value of Investments

An investment of £1,406m is assumed to decrease by 10% due to assumed correction of asset price forecast for 2022/23. (As the economists has been saying that we are in uncharted waters). Prices for sovereign, corporate and high-yield bonds and equities are at, or near, record levels. The ultralow interest rates policy and the massive quantitative-easing programmes of the G3 central banks (the US Federal Reserve, the European Central Bank and the Bank of Japan) over the past decade. The combined return of investment income and capital growth for 2022/23 net assets has been assumed to be - 8.5% per annum.

h) Fund Managers Fees

Fund managers' fees are calculated at an average rate of 0.475% on average assets valuation of £1.5billion.

i) Global Custodian Fees

from level of current activities, the fee is set at £60,000 as per fees schedule.

Safeguarding Implications

21. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

22. Public Health Implications

23. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

24. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

25. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

26. Reviewing and forecasting the Fund cash position should result in a more efficient process of managing the Pension Fund.
27. This will minimise risks relating to the management of the Fund and should assist in managing down liquidity risk and of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

28. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

29. For a number of years, the Pension Fund has received considerably more in contributions than it has paid out in benefits and has therefore experienced strong positive cashflow. However, in light of ongoing budgetary pressures for the Council and the recent reduction in its contribution rate, it is prudent to ensure that the likely impacts of reduced cashflows into the Fund are understood and planned for.
30. Budget monitoring on a quarterly and annual basis along with the additional cashflow work to be undertaken by the Fund actuary will assist the Committee in understanding the full impact of potential changes as a result of any significant falls in membership numbers or planned changes in contribution rates. Whilst there are costs to carrying out monitoring exercises, these are negligible in comparison to the benefits of understanding the Fund's likely future cashflows and planning for these accordingly.

Legal Implications

31. The Pension Policy & Investments Committee has been given delegated authority to manage the Pension Fund; under the Council's constitution they must therefore 'set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and develop a medium term plan to deliver those objectives. Monitoring the Pension Fund's financial position including the prospects for cash flow helps the Committee to ensure that they are meeting their fiduciary role in the management of the Fund. Management of the Fund's solvency is a key objective across the short, medium and long term; the monitoring of cash flow performance is an important part of ensuring that objective is met.

Workforce Implications

32. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

33. None

Other Implications

34. None

Options Considered

35. The Fund is bound by legislation to ensure that members of the Fund receive benefits as they fall due under the Fund's terms. Although the Fund is free to determine how best to fund its liabilities as they fall due. It is expected to meet such obligations to its retired members.

Conclusions

36. The performance of the Pension Fund investments affects the required level of contributions due from employers.
37. Sound financial management of the Pension Fund, including budget-setting, helps ensure that the Pension Fund is run in an efficient and cost-effective manner. Poor management of the Pension Fund finances would result in increased costs, which would need to be met through higher employer contributions to the Pension Fund.
38. The headline figures are that, during the financial year 2022/23, we are estimating that Enfield PF will pay £49.4m in pensions and receive £47.7m in contributions from employers and employees. The Fund has a value of £1.460bn at 31 March 2021. The proposed internal administration costs of £945k and £7.925m of investment management charges of external managers represent a cost of £374.42 per member of the scheme. Taken

separately the external investment management costs are approximately £334.53 per member.

39. The administrative and investment management expenses budget for 2022/23 at £8.9m is lower than the outturn for 2020/21, due to a budgeted market depreciation forecast for the Fund assets for 2022/23.

Report Author: Bola Tobun
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Date of report 30th December 2021

Appendices

Appendix 1: Enfield Pension Fund Revenue Budget for 2022/23 and
Cashflow Forecast For 2023/24 & 2024/25

Background Papers - None

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Appendix 1**Pension Fund Budget 2021/22 and Cashflow Forecast For 2022/23 & 2023/24**

	2020/21 Actual at 31st Mar 2021 £,000	Budget for 2021/22 £,000	Budget for 2022/23 £,000	Forecast for 2023/24 £,000
Contributions Receivable				
- from Employer	36,976	34,165	37,581	38,709
- from Employees	12,055	11,200	10,080	8,173
Transfer Values In	5,454			
Sub - Total Income	55,015	45,365	47,662	46,883
EXPENDITURE				
Benefits Payable				
- Pensions	(37,222)	(36,905)	(40,595)	(41,811)
- Purchase of Pensions				
- Lump Sums: Retirement Allowances & Death Grants	(7,152)	(7,995)	(8,795)	(10,110)
- Transfer Values Out	(4,639)			
Administrative and other expenses borne by the scheme				
- Administration and processing	(1,530)	(955)	(860)	(870)
- Actuarial fees	(90)	(30)	(55)	(50)
- Audit fees	(36)	(21)	(21)	(21)
- Legal and other professional fees	(3)	(10)	(9)	(10)
Sub - Total Expenses	(50,672)	(45,917)	(50,335)	(52,872)
Investment management Expenses (Invoice)				
-Fund Managers Invoiced Fees	(2,193)	(2,412)	(2,171)	(2,139)
-Global Custodian Fees	(83)	(60)	(54)	(60)
-Investment Consultancy Fees	(116)	(75)	(68)	(75)
Total Expenditure	(53,064)	(48,464)	(52,628)	(55,147)
NET CASH INFLOW/OUTFLOW	1,951	(3,099)	(4,966)	(8,264)
Opening Cash Balance	100,913	103,785	50,686	15,721
Forecast Cash Investments Injection		(50,000)	(30,000)	
Forecast Closing Cash Balance	102,864	50,686	15,721	7,457
Administrative and other the scheme expenses	(1,749)	(1,035)	(945)	(950)
Investment management Expenses	(10,315)	(10,380)	(7,925)	(6,380)
Total Admin & Investment Expense	(12,064)	(11,415)	(8,870)	(7,330)

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of the Local Government Act 1972.

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London Borough of Enfield**PENSION POLICY AND INVESTMENT COMMITTEE****Meeting Date: 27 January 2022**

Subject: CMA Strategic Objectives for Investment Consultant Review – Aon**Cabinet Member: Cllr Maguire****Executive Director: Fay Hammond****Key Decision: []**

Purpose of Report

1. The report sets out the requirements of the order, an analysis of actions over the last year in respect of the objectives set for its investment consultant under Remedy 7 of the Competition and Markets Authority's (CMA) Investment Consultancy and Fiduciary Management Market Investigation Order 2019.

Proposal(s)

2. Pension Policy and Investments Committee are recommended to
 - a) To note the submission of the statement at Appendix 1 to the CMA in line with requirements;
 - b) Note the strategic objectives approved March 2021 as set out in Appendix 2; and
 - c) Note the assessment of the performance against the objectives approved March 2021 as set out in Appendix 3.

Reason for Proposal(s)

3. For effective and efficient management of the Fund.
4. There is a requirement for the Committee to be kept up to date with current issues and legislative developments to support and effect the effective discharging of their role.
5. **Relevance to the Council's Corporate Plan**
6. Good homes in well-connected neighbourhoods.
7. Build our Economy to create a thriving place.

8. Sustain Strong and healthy Communities.

Background

9. In September 2017, the Financial Conduct Authority (FCA) requested that the Competition and Markets Authority (CMA) carry out a market investigation of the supply and acquisition of investment consultancy services and fiduciary management services to and by institutional investors and employers in the UK. The CMA published its report (Investment Consultants Market Investigation Final Report) on the matter in December 2018.
10. In the report, the CMA found that both the investment consultancy and fiduciary markets had features that restricted or distorted competition and that the CMA ought to take action to remedy, mitigate or prevent these issues. A draft order was issued in early 2019 with the final order being issued in June 2019. The Order placed new obligations on service providers and pension schemes with regard to fiduciary management and investment consultancy Services.
11. On 15th October 2019, the LGPS Scheme Advisory Board published an update on the CMA order stating that, following clarification from the DWP and MHCLG, amendments to MHCLG's Investment Strategy Statement statutory guidance would eventually implement remedy 7 (obligation to set strategic objectives for Investment Consultants).
12. The requirements of remedy 7 are set out in Part 7 of the Order which came into force from 10th December 2019. These stated that unless LGPS authorities set strategic objectives for their investment consultants they must not "enter into a contract with an Investment Consultancy Provider for the provision of Investment Consultancy Services or continue to obtain Investment Consultancy Services from an Investment Consultancy Provider."
13. LGPS authorities will be obliged to implement strategic objectives once the revised statutory guidance is in force. This is still awaited but the Scheme Advisory Board recommends that funds should be aware that they may be subject to challenge under Part 7 of the Order from 10th December 2019.
14. The Committee approved Strategic Objectives for the Fund Investment Consultant at its March 2021 meeting. The fund is required to certify that it has complied with the order on an annual basis by submitting a compliance statement to the CMA. Such statement submitted by officers in January 2022 is attached as Appendix 1 for the noting of this Committee.
15. The report also includes an assessment of the performance of the investment consultants, Aon, against the objectives set. Officers have reviewed this evidence and are content that it properly reflects the work undertaken. This assessment is included at Appendix 3 for the Committee's consideration and comment.

Safeguarding Implications

16. None.

Public Health Implications

17. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

18. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

19. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

20. It is important to keep abreast on current issues to facilitate the rigorous and robust management of the Pension Fund for a better, quicker and more effective decision-making process which can lead to better Fund performance and reduction in the contribution required from the Council towards the Fund.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

21. Not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

22. The CMA Order is intended to help address competition issues within the investment consultancy and fiduciary management markets. Although the Fund does not currently make use of a fiduciary manager, it does use an investment consultant to fulfil its obligation under the LGPS (Management and Investment of Funds) Regulations 2016 to obtain proper advice.
23. The Fund should benefit from the CMA Order either directly, through clarifying and strengthening the requirements for its investment consultant, and indirectly via improved competition within the investment consultancy market and lower possibly lower fees.
24. This report sets out an analysis of the work undertaken by the Investment Consultants over the last year in relation to the objectives set for them in November 2019.
25. There are no immediate financial implications arising from this report

Legal Implications

26. LGPS administering authorities must set strategic objectives for investment consultants according to the CMA Order published in June 2019. The Committee agreed an interim set of objectives in November 2019 and approved a final set of objectives in March 2021. There is a requirement to confirm on an annual basis that it has complied with the requirements of the Order. The statutory deadline for the submission of the annual statement is 7th January.
27. The Pension Policy and Investment Committee's Terms of Reference state that one of the Committee's functions is 'To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and custodians and periodically to review those arrangements. Given this role in appointing and reviewing the Fund's investment consultant, the setting of objectives for the consultant and subsequent monitoring against them would appear to properly fall within the Pension Policy and Investment Committee's remit.

Workforce Implications

28. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Options Considered

29. No alternative options considered.

Conclusion

30. The Pension Policy and investments Committee is recommended to approve the strategic objectives set for Aon as investment consultants for the Fund and note the updates provided in the report.

Report Author: Bola Tobun
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Date of report 30th December 2021

Appendices

Appendix 1 - Strategic Objectives Investment Consultant

Appendix 2 - Compliance Statement Submission

Appendix 3 – Assessment of Performance against objectives (To Follow)

Background Papers

None

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Competition and Markets Authority
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My Ref:
Your Ref:
Date: 30/12/2021

Date: 5th January 2022

**The London Borough of Enfield Pension Fund
The Investment Consultancy and Fiduciary Management Market Investigation
Order 2019**

I hereby confirm on behalf The London Borough of Enfield Pension Fund, that during the period commencing 10 December 2020 and ending on 09 December 2021, The London Borough of Enfield Pension Fund has complied with Part 7 of the Investment Consultancy and Fiduciary Management Market Investigation Order 2019 in respect of the Scheme.

This compliance statement has been prepared in accordance with the requirements of the Investment Consultancy and Fiduciary Management Market Investigation Order 2019.

For the period to which this Compliance statement relates, The London Borough of Enfield Pension Fund has complied in all material respects with the requirements of Part 7 of the Order and reasonably expect to continue to do so.

If you have any questions regarding this submission please contact Bola Tobun on 020 8132 1588 or alternatively e-mail us at bola.tobun@enfield.gov.uk

For and on behalf of the London Borough of Enfield Pension Fund



Name: Fay Hammond

Title: Executive Director of Resources

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Appendix 2 - Strategic Objectives for Aon as the Enfield Pension Fund Investment Consultant

	Enfield Pension Fund objectives and requirements from consultants	Investment Consultant objectives	Desired outcomes / measurement
A	<ul style="list-style-type: none"> i) Ensure members' benefits are met as they fall due ii) Support a long term funding approach that is consistent with a stable and affordable contribution approach from the employers 	<ul style="list-style-type: none"> i) Advise on a suitable Strategic Asset Allocation and investment strategy. ii) Ensure the strategy is reviewed and amended to deliver the required investment returns from the Fund's investments in line with Funding Strategy Statement. iii) Ensure risk and return is assessed in all strategic investment decisions supporting the need for pension liabilities of the Fund to be met and support progress towards a long term steady state of funding iv) Deliver an investment approach that reflects the Fund's cashflow position, and likely evolution, and minimises the risk of forced disinvestment. 	<ul style="list-style-type: none"> i) Returns from the investment strategy over time are in line with or exceed the assumptions within the Funding Strategy Statement and the funding level remains within the expected range of outcomes ii) The Fund has sufficient cash flow to allow members benefits to be paid when due
B	<ul style="list-style-type: none"> i) Ensure the Fund's approach is aligned with the objectives of pooling and associated guidance 	<ul style="list-style-type: none"> i) Advise on the cost efficient implementation of the Fund's investment strategy as required, including advice on the use of suitable benchmark's, active or passive 	<ul style="list-style-type: none"> i) Evolve performance monitoring and reporting to reflect the investment of assets through the London CIV

	<ul style="list-style-type: none"> ii) Ensure cost efficient implementation of the Fund's investment strategy 	<ul style="list-style-type: none"> management, and taking into account the evolution of the London CIV ii) Provide clear information so that the Committee is able effectively to monitor the underlying strategies it is invested in. iii) Provide advice on the suitability of investment managers and regular reporting to allow the Committee to monitor the success of the investment strategy iv) Ensure transition costs are considered in manager or asset class changes v) Consider all associated costs when supporting the fund in manager selection or pool allocation decisions 	<ul style="list-style-type: none"> ii) Ensure a focus on key risk / return priorities iii) Challenge of any areas of poor performance highlighted and solutions identified
C	<ul style="list-style-type: none"> i) Ensure the Fund's approach reflects relevant regulatory and legislative requirements ii) Ensure the Funds Responsible Investment policy is kept under review and is reflected in ongoing governance and decision making processes 	<ul style="list-style-type: none"> i) Ensure investment advice complies with relevant pensions regulations, legislation and supporting guidance. ii) Advise and support the Committee in developing the Committee's policies and beliefs, including those in relation to Responsible Investment. iii) Ensure investment advice reflects the Committee's policies and beliefs, including those in relation to Responsible Investment considerations. 	<ul style="list-style-type: none"> i) No instances of non-compliance with relevant regulations ii) Evidence that the Fund's investment arrangements are consistent in all respects with the Committee's set of investment beliefs iii) Committee very satisfied with level of support provided

D	<p>i) Ensure the Fund's investment objectives are supported by an effective governance framework</p>	<p>i) Provide relevant and timely advice. ii) Help the Committee develop knowledge and understanding by providing appropriate training and well structured reports with clear language and supported recommendations. iii) Assist with identifying topics where further training may be beneficial to the Committee</p>	<p>i) All reports and advice delivered within prescribed timescales ii) Committee Knowledge and Understanding on investment matters increases or remains high iii) Committee are very satisfied with the value of money represented by the services provided</p>
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