

MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD HELD ON WEDNESDAY, 9TH MARCH, 2022

MEMBERS:

Councillor Ahmet Oykenner (Employer Nominated Member)
Councillor Chris Dey (Employer Nominated Member)
(Chair) Pauline Kettless (Employee Nominated Member – Retired)
Paul Bishop (Employee Nominated Member – Active)
Tracey Adnan (Employee Nominated Member – Active)
Victor Ktorakis (Employee Nominated Member – Active)

Officers:

Bola Tobun (Finance Manager), Tim O'Connor (Pensions Manager), Fay Hammond (Executive Director, Resources), Olga Bennet (Director of Finance, Capital & Commercial), Stacey Gilmour (Governance Officer)

Also Attending: Gustave Lorient (Responsible Investment Manager, London CIV), Stephanie Aymes (Client Relations Manager, London CIV)

1. WELCOME AND APOLOGIES

The Chair welcomed members to the meeting and introductions were made.

Apologies for absence were received from Alison Cannur (Employee Nominated Member).

2. DECLARATIONS OF INTEREST

Pauline Kettless declared a non-pecuniary interest being in receipt of an Enfield Local Government pension.

Cllr Chris declared a non-pecuniary interest as his mother is in receipt of a Local Government pension.

Cllr Ahmet Oykenner also declared a non-pecuniary interest as his sister is in receipt of a Local Government pension.

3. MINUTES OF THE PREVIOUS MEETING

AGREED the minutes of the meeting held on Thursday 3 February 2022 subject to the following amendment:

Item: 1 Welcome & Apologies

LOCAL PENSION BOARD - 9.3.2022

Apologies for absence were received from Paul Bishop (Employee Nominated Member).

4. RESPONSIBLE INVESTMENT POLICY

RECEIVED a presentation and verbal update on the Responsible Investment Policy, from Gustave Lorient, Responsible Investment Manager, London CIV and Stephanie Aymes, Client Relations Manager.

NOTED:

- The presentation provided an insight into what the London CIV is doing and an overview on how to tackle Responsible Investment & Engagement.
- The integration of responsible investment factors supports long-term risk adjusted returns. For this reason, the London CIV would like to make responsible investment a core part of its investment process across all asset classes and investment mandates.
- The Responsible Investment and Engagement policy will have three clear objectives:
 - To support the company's investment objectives;
 - To lead by example and raise the bar on responsible investment throughout the industry and
 - To add value to clients through improved services.
- An update was provided on the following 6 priorities:
 - Climate Policy;
 - Stewardship Policy;
 - Product offering;
 - Capacity to deliver;
 - Culture;
 - Communications
- Other areas covered in the presentation included:
 - What Role for Local Authority Pension Pools;
 - What is Global Carbon Neutrality;
 - Top-down decarbonisation targets;
 - Net Zero Strategy- Products;
 - London CIV Climate Analytics Service;
 - Recommendation: Net-Zero Strategy;
 - Engagement Objectives linked to priority themes.
 - Key priorities.
- Discussions took place on each of the above and explanations provided where required.
- In response to queries from members regarding the war between Russia and Ukraine and how this will affect the LCIV it was advised that the ongoing situation would be monitored closely. However as of today there is no financial exposure in Russia at Enfield level.

5. PENSION ADMINISTRATION PERFORMANCE, TEAM UPDATE AND LGPS UPDATE

LOCAL PENSION BOARD - 9.3.2022

RECEIVED an update report from Tim O'Connor, Pensions Manager on current pension issues, developments and performance in accordance with the Local Government Pension Scheme (LGPS). The following points were highlighted:

- HM Treasury has confirmed that LGPS pensions in payment will increase from 11th April 2022 by 3.1%, in line with CPI inflation rate as at September 2021. The 3.1% increase will not apply to pensions which are less than a year old. These pensions will receive a pro-rata increase.
- The Government tabled further amendments to the PSPJO Bill on 21st January 2022. The amendments relevant to the LGPS were set out in detail in the report. The Bill is at the Committee stage in the House of Commons. The first sitting was on 27th January 2022.
- DWP has launched a second review of the State Pension age on 14th December 2021. It will consider if the State Pension age (Spa) rules are still appropriate based on latest life expectancy data and other evidence. Appendix 4 of the report provides more information.
- On 9th December 2021 the DLUHC started a second consultation on the proposed consolidation of Oasis multi-academy trust into one LGPS fund. Oasis currently participate in 16 LGPS funds including the Enfield Fund. Bola Tobun, Finance Manager is leading the consultation on behalf of the Enfield Fund.
- The new Local Government Association (LGA) website went live in the past week. The existing tools have been replicated on the new site but have been made more user-friendly and accessible for members. Users will see improved accessibility across the site, in both design and readability.
- On 27th January 2022, the CIPFA announced that it had partnered with pension management services Isio to refresh its current training and support programme for LGPS pension board members. Tim said this was something that the Board might be interested in so he would be keeping an eye on this.
- The Pensions Team has recently introduced new software called 'Insights', which provides more effective reporting functionality. A pre-evaluation meeting has been held with AON to confirm timelines for work delivery of the triennial valuation. The team are developing further aspects of Member Self Service (MSS) to allow members to update their records and transfer information between the member and the team. Team training will be taking place in order to effectively train and develop new members of staff as well as cross training current staff in order to create a flexible work force.
- Key Performance Indicators (KPI's) were detailed in the report and Tim advised that Benefit Statements had been sent out in August.
- The Local Pension Board noted the contents of the report and the Chair thanked Tim for his update.

6. PENSION ADMINISTRATION RISK REGISTER

LOCAL PENSION BOARD - 9.3.2022

RECEIVED the Pension Administration Risk Register introduced by Tim O'Connor, Pensions Manager.

Local Pension Board noted the contents of the update.

7. EMPLOYEE CONTRIBUTIONS REPORT

RECEIVED the Employee Contributions Report introduced by Bola Tobun (Finance Manager), highlighting the following:

- The report updates the board on the collection of Employer contributions up to January 2022 which were due on 19 February 2022.
- Contributions are received after the 19th day of each month following contributions deducted up to the 19 February 2022 (shown as Appendix 1 to the report).
- In total there has been 11 late payments of contributions out of 332 expected payments. This is attributed to four different employers in the Fund. Three employers have paid late on more than one occasion, paying late in three consecutive months: May 2021 to July 2021.
- The Local Pension Board noted the contents of the report and the attached Appendix.

8. LCIV QUARTERLY UPDATE

RECEIVED the London Collective Investment Vehicle (LCIV) Quarterly Update which highlighted the following:

- The report provides a summary of London Collective Investment Vehicle (LCIV) updates on investment, new products and governance arrangements.
- A briefing note will be circulated shortly regarding the investment situation in Ukraine & Russia.

Action: Bola Tobun, Finance Manager

- Local Pension Board noted the contents of the report

9. LAPFF QUARTERLY ENGAGEMENT UPDATE

RECEIVED the LAPFF Quarterly Engagement Update for December 2021, highlighting the following:

- The report provided an update on various Environmental, Social & Governance (ESG) issues that the Local Authority Pension Fund Forum (LAPFF) have been involved in.
- Members were asked to note the issues discussed by LAPFF, set out in the Quarterly Engagement Report which is available on the LAPFF website (the link for which is included in the agenda for this meeting).
- To invite a representative of the LAPFF to the next meeting of the Local Pension Board to provide a further update.

Action: Bola Tobun, Finance Manager.

LOCAL PENSION BOARD - 9.3.2022

- The Board noted the contents of the report.

10. ENFIELD PENSION BOARD WORKPLAN FOR 2022/23

RECEIVED the Enfield Pension Board Work Plan and the Pension Fund Business Plan for 2022/23.

NOTED:

- The report outlines the general remit of a local pension board and the indicative Work Plan for 2021/22 for the Enfield Pensions Board.
- The draft Work Plan for 2022/23 (attached as Appendix 1 of the agenda). Once finalised the Work Plan will come to the June meeting of the Local Pension Board.
- Following discussions, it was agreed that Cost Transparency would be included on the Work Plan and this would be added for the June meeting.

Action: Bola Tobun, Finance Manager

11. ENFIELD PENSION FUND BUSINESS PLAN AND BUDGET FOR 2022/23

RECEIVED the Enfield Pension Fund Business Plan and Budget for 2022/23.

NOTED:

- The Business Plan attached as Appendix 1 to the report.
- The Revenue Budget for 2021/22 and the cashflow forecast from operational activities for 2022/23 and 2023/24 attached as Appendix 2 to the report.
- In response to concerns raised regarding information in the report (at page 171, no: 34) which detailed an 'overall reduction of some 4% in respect of employers' contribution hence contribution value for 2022/23 is less' Fay Hammond, Executive Director, Resources confirmed that this was an error in the report and there was not a reduction in employers' contributions.
- Clarification was sought by the Chair regarding an issue that had arisen at a recent regional meeting that she had attended, regarding authorities investing in line with Foreign & Commonwealth Policy. It was agreed that this question would be forwarded to Bola who would look at getting an answer at the Pension Fund AGM taking place on Thursday 10 March 2022.

Action: Pauline Kettless, Chair/ Bola Tobun, Finance Manager.

12. PENSION POLICY AND INVESTMENT COMMITTEE MINUTES - 27 JANUARY 2022

NOTED the minutes of the Pension, Policy and Investment Committee which took place on 27 January 2022.

13. AOB

LOCAL PENSION BOARD - 9.3.2022

1. The Pension Fund AGM would be held virtually on Thursday 10 March 2022. So far approximately 170 people had registered to attend and the online link for the meeting would be made available later today.
2. Concerns were raised that the Annual Report had still not been signed off by the auditors. Fay Hammond advised that she had expressed frustrations on behalf of the Board at the recent meeting of the General Purposes Committee. The report cannot be signed off until such time as the Statement of Accounts has been signed off and this has unfortunately been delayed due to a national infrastructure issues which has affected all councils.
3. Once signed off by the auditors, the Annual Report would be provided to the Chair.