

**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT
COMMITTEE
HELD ON WEDNESDAY, 20 MARCH 2024**

COUNCILLORS

PRESENT Doug Taylor, Susan Erbil (Cabinet Member for Licensing, Planning and Regulatory Services), Sabri Ozaydin, David Skelton and Edward Smith

ABSENT Gina Needs

OFFICERS: Ravi Lakhani (Head of Pension Investments) and Nicola Lowther (Governance Manager)

Also Attending: Colin Cartwright (Aon)

**1
WELCOME AND APOLOGIES**

The Chair welcomed everyone to the meeting and thanked members for their service on the committee for the last 12 months.

Apologies were received from the following:

Cllr Gina Needs

**2
DECLARATIONS OF INTEREST**

No interests were declared under this item.

**3
MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 17 January 2024 were **AGREED**.

**4
CHAIR'S UPDATE**

The Pension AGM in early March had good attendance both in person and online, 90% of those who attended had individual issues that they wanted to raise with regard to their own pensions. The Council Chamber is not ideal for the AGM and the chair has asked for the conference room to be booked going forward which Ravi has already actioned for next year.

Following a query regarding LGPS compliance with Shaira Law, the LGA has looked at and have discussed with an Islamic Scholar whose view is that there

is no impediment to somebody who is Islamic joining the LGPS as it is consistent with Sharia law. The LGA advice was that the individual were not themselves investing. The pension is a promise of a return irrespective of the performance of the instrument and were comfortable with the situation.

The Chair felt that a possible meeting is needed with the CIV particularly around the cost of moving from one provider to another, transition costs and there might be some matching possible to limit costs. The Chair advised that there are two funds that are due to come forward; one around private debt, and the second one is their nature-based fund and would like them both to come and present to the Committee in the future. These two funds may get launched in quarter 2.

5 INVESTMENT STRATEGY STATEMENT

Ravi Lakhani, Head of Pension Investments presented this item outlining the objectives, policies, and processes for managing the Enfield pension fund assets.

The fund has a paramount duty to see the best possible return on its investment taking into account a properly considered level of risk, A well governed and well-managed pension fund will be rewarded by good investment performance in the long term.

The primary tool for achieving investment returns is Strategic Asset allocation which was recently reviewed at PPIC and agreed to a new allocation at the January 2024 meeting of PPIC.

The strategic asset allocation is based on the results of the asset-liability modelling exercise carried out by Aon.

Regulations requires an administering authority to publish an investment strategy statement which must be in accordance with guidance issued by the Secretary of State and must be reviewed every 3 years and approved by the committee.

The Investment Strategy Statement was **AGREED**.

6 BUDGET IMPACT

Ravi Lakhani, Head of Pension Investments gave an overview of this item report.

Discussions were held around that whilst the Government would like to see UK equity investment increasing, the fiduciary duty placed on the LGPS means the priority for Pension Funds is to achieve the highest risk adjusted returns for its members and employers. Increasing investment in UK equities

may be in direct conflict to this fiduciary duty. This included discussions on global and American equity markets.

The report was **NOTED**.

7

INVESTMENT UPDATE ON ENFIELD PENSION FUND INVESTMENTS & MANAGERS

Ravi Lakhani and Colin Cartwright (Consultant, Aon) presented this item and covered the overall fund performance and investment manager performance in detail. Ravi Lakhani highlighted that the report covers up to 31 December 2023. The value of the fund as at 31 December 2023 was £1,521m, paragraph 7 illustrates the performance over different time periods. It was stressed that there is no rush to reduce the Bond portfolio in value in line with the Strategic Allocation as the Fund still has a large cash balance. Possible changes in the future are detailed under paragraph 28 and 29 in the report.

Looking forward, markets are continuing to contend with the effects of the interest rate/inflation cycle and the global economy.

It was noted that there is a high level of Government indebtedness and policy makers need to be mindful and must ensure that all commitments are funded.

In response to the issues affecting performance management members were advised that in the business plan for the next quarter will be looking at the equity allocations. There will be a deep dive into the equity portfolio looking at how the funds are managed, and how are the managers performing.

Following a query on the significant cash position detailed in the report, members were advised that while money markets funds are producing a rate of returns of between 4-5 % there is not a requirement to temporarily put more money in bonds. Over the next 12 to 24 months, it is likely that this money will be committed to infrastructure managers and if the fund agrees to investment in private debt and natural capital.

The report and part 2 appendices were **NOTED**.

8

FOSSIL FUEL EXPOSURE

The Part 1 report in the agenda pack was **NOTED**. All discussions on the report were held under Part 2.

9

LAPFF

The Part 1 report in the agenda pack was **NOTED**. All discussions on the report were held under Part 2.

**10
UPDATE FROM PENSION BOARD**

The Pensions Regulator released a new single Code of Practice. Previously there were numerous Codes of Practice over lengthy documents. This has been amalgamated into a single document which is 190 pages. This governs how Pension funds should operate, a lot of this covers pension administration, this includes a module on pension investments. There is a significant element covering members training requirements. Pension Officers will carry out a self-assessment and report back to members.

**11
AOB**

There was no other business.

**12
DATE OF NEXT MEETING**

NOTED that future meetings of the Pension Policy & Investment Committee will be confirmed at the Annual Council meeting on Wednesday 15 May 2024.

**13
EXCLUSION OF THE PRESS AND PUBLIC**

**14
INVESTMENT UPDATE ON ENFIELD PENSION FUND INVESTMENTS &
MANAGERS**

There were no further discussions under part 2.

**15
FOSSIL FUEL EXPOSURE**

Following part 2 discussions, the report was **NOTED**.

**16
LAPFF**

Following a part 2 discussion the report and Part 2 appendices was **NOTED**.