



## London Borough of Enfield

<b>Report Title</b>	Transfer of members to London Borough of Barnet Pension Fund
<b>Report to</b>	Pension, Policy & Investment Committee (PPIC)
<b>Date of Meeting</b>	17 January 2023
<b>Cabinet Member</b>	Cllr Tim Leaver
<b>Executive Director / Director</b>	Fay Hammond
<b>Report Author</b>	Ravi Lakhani (Head of Pension Investments). Ravi.Lakhani@enfield.gov.uk
<b>Classification</b>	Part 1 Public

### Purpose of Report

1. To inform PPIC of the transfer of pension fund members relating to Southgate College from Enfield Pension Fund to the London Borough of Barnet Pension Fund.
2. Agree the transfer of the assets and liabilities relating to Southgate college from the Enfield Pension Fund to the London Borough of Barnet Pension Fund.

### Recommendations

- I. Agree the transfer of the assets and liabilities relating to Southgate College an employer in the Enfield Pension Fund to the London Borough of Barnet Pension Fund with effect from 31 March 2024.

### Background and Options

3. On 31 October 2011, Southgate College, an Employer in the Enfield Pension Fund, merged with Barnet College, an employer in the Barnet Pension Fund.

4. The Secretary of State for Levelling Up, Housing & Communities has directed that the pension assets and liabilities of Southgate College (including those for former members) are transferred to the Barnet Pension Fund.
5. The market value of the assets in the Enfield Pension Fund notionally attributable to Southgate College on the merger date (31 October 2011) was £9,252,000.
6. The terms and conditions of the transfer can be found in Appendix 1: Actuary's letter in respect of bulk transfer of members from Southgate College to Barnet College. This has been drafted by Enfield Fund's actuary, Aon Solutions UK limited and also signed by the Barnet Pension Fund Actuary, Hymans Robertson.

### **Preferred Option and Reasons For Preferred Option**

7. PPIC are asked to agree the transfer of the assets and liabilities relating to Southgate College to the London Borough of Barnet Pension Fund.
8. The effective date of the transfer is to be 31 March 2024.
9. The value of the asset to be transferred at 31 March 2024 will be determined by the notional assets that existed on the merger date, £9,252,000, which will be updated in line with investment returns. The exact methodology for calculating investment returns is provided for in Appendix 1- Actuary letter in respect of bulk transfer. The updated value as at 31 March 2022 was £15,838,960. This value will be updated at the transfer date (31 March 2024) and is expected to be within 10% of 31 March 2022 value.
10. Under the PPIC terms of reference the committee shall:  
(Extract of PPIC terms of reference)
  - Approve admissions into the Fund
  - (vi) Ensure compliance with all relevant best practices for LGPS fund.
  - (viii) consider any other policy or investment issues as the committee see fit

The transfer of the asset and liabilities of Southgate college to Barnet Pension Fund would be classed as a bulk transfer and would fall under the relevant parts of the PPIC terms of reference identified above.

11. A direction application is being submitted to the Secretary of State in January 2024. Should there be any delay in receiving approval the effective date of the transfer would slip. Any slippage will be reported to PPIC at future PPIC meetings.

### **Financial Implications**

12. The value of the assets to be transferred at 31 March 2024 will be determined by the notional assets that existed on the merger date, £9,252,000 which will be updated in line with investment returns. The exact methodology for calculating investment returns is provided for in Appendix 1- Actuary letter in respect of bulk transfer. The updated value as at 31 March 2022 was £15,838,960. This value will be updated at the transfer date (31 March 2024) and is expected to be within 10% of 31 March 2022 value.

13. All assets and liabilities will relating to Southgate College will become the responsibility of the Barnet Pension fund on the effective date anticipated to be 31 March 2024.(Subject to Secretary of State approval)

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### **Appendices**

Appendix 1 : Actuary letter in respect of bulk transfer of members from Southgate College to Barnet College.

### **Background Papers**

None