

**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT
COMMITTEE
HELD ON WEDNESDAY, 17 JANUARY 2024**

COUNCILLORS

PRESENT Doug Taylor, Susan Erbil, Sabri Ozaydin, Edward Smith and Ruby Sampson

ABSENT Gina Needs (Cabinet Member for Community Safety and Cohesion) and David Skelton

OFFICERS: Ravi Lakhani (Head of Pension Investments) and Petra Stephenson (Governance Officer).

Also Attending: Colin Cartwright (Associate Partner, Aon), and Carolan Dobson

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WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were received from the following: Cllr David Skelton who was substituted by Cllr Ruby Sampson, and Cllr Gina Needs.

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DECLARATIONS OF INTEREST

Cllr Ruby Sampson declared a Pecuniary interest she is a member of the LBE Pension Fund.

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MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 15 November 2023 were **AGREED**.

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CHAIR'S UPDATE

The AGM is scheduled for the 5th March.

It will be online, in person and a drop-in session will also be available.

Existing Pensioners, Members, deferred and active contributors are encouraged to attend.

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SOUTHGATE COLLEGE TRANSFER

Ravi Lakhani presented this item explaining that assets and liabilities should have transferred to Barnet College when it merged with Southgate College in 2011.

Actuaries for the Enfield Pension Fund and Barnet Pension fund, Aon and Hymans Robertson respectively, have agreed the terms of the transfer.

The proposed date of transfer is the 1st April subject to Secretary of State consent. Should there be any delay in receiving this the transfer will also need to be delayed.

The basis for the transfer was **AGREED**.

6

PENSION FUND ANNUAL REPORT & STATEMENT OF ACCOUNTS

Ravi Lakhani presented this item highlighting key headlines from the statutory annual report and explained the principal reasons for negative investment performance in 2022/23.

Primary drivers for the negative investment performance were due to market conditions, the fall in equity markets and the fall in the value of the bond portfolio because of interest rates increasing.

Equity markets have recovered, and stabilised and bond yields have increased since that time.

Members suggested that in future a breakdown of the analysis of fees paid in respect of running a pension fund are in one place in the report with specifics to provide clarity. Or a separate report at a future meeting.

Members also requested a report on fee transparency and how it compares to other boroughs.

Action: Ravi Lakhani to bring a paper to the July PPIC meeting.

Members also sought clarity on the terminology and analysis on management fees and expenses for full knowledge and to understand consequences.

Action: Ravi Lakhani to provide a breakdown on fees and the fee level for each individual manager within the pension fund.

The report was **APPROVED**.

7

INVESTMENT UPDATE ON ENFIELD PENSION FUND INVESTMENTS & MANAGERS - PART 1 & PART 2 CONFIDENTIAL

PENSION POLICY & INVESTMENT COMMITTEE - 17.1.2024

The Chair requested that going forward the meeting is extended by an hour so that teaching on each asset class can be provided on a continued learning basis. In terms of the underlying way it works, what the performance is and what the future holds, in detail, so Members can learn and have an in-depth discussion.

Members **AGREED**.

Ravi Lakhani and Colin Cartwright (Consultant, Aon) presented this item providing a market update and an overview on current asset performance.

Action: Ravi Lakhani to decide on the priorities with respect to which asset classes should be reviewed for a deep dive and training,

Action: Ravi Lakhani/Colin Cartwright to share an additional paper with Members produced by Aon on the investment outlook for 2024.

Action: Ravi Lakhani to calculate LBE investments indifferent geographical markets.

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

The Chair called for a 10-minute break.

8

STRATEGIC ASSET ALLOCATION PAPER - PART 1 & PART 2 CONFIDENTIAL

Following a brief adjournment, the meeting resumed.

Ravi Lakhani presented options for the Strategic Asset Allocation for the Enfield Pension Fund and recommendations.

Members are in favour of reviewing the Strategic Asset Allocation on an annual basis rather than every 3 years.

Next steps: The bond portfolio should be reviewed with the intention of reducing the number of managers to reduce complexity and possibly allocate to Private Credit.

Action: Ravi Lakhani is to organise an additional meeting in February for 2-3 hours for a training session to review the bond portfolio and the decision is to be taken at the March meeting in how to proceed

AGREED the proposed Strategic Asset Allocation.

9

UPDATE FROM PENSION BOARD

PENSION POLICY & INVESTMENT COMMITTEE - 17.1.2024

The Pension administration report provided a number of changes in relation to McCloud which is a highly complex issue affecting Pension Funds.

The Chair raised the idea of having the Pension Board immediately before or after the Pension Policy & Investment Committee, on the same day, next year. Members felt this was an excellent idea to be discussed with Governance.

10 DATES OF FUTURE MEETINGS

NOTED the dates of the future meetings:

Wednesday 20 March 2024.

11 EXCLUSION OF THE PRESS AND PUBLIC

If necessary, to consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting for any items of business moved to part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006). (Members are asked to refer to the part 2 agenda).

12 PROCUREMENT AND APPOINTMENT OF ACTUARY

Colin Cartwright (Aon) excused himself from the meeting.

Following a part 2 discussion the recommend appointment was **APPROVED**.

13 INVESTMENT UPDATE ON ENFIELD PENSION FUND INVESTMENTS & MANAGERS

Following a part 2 discussion the report was **NOTED & AGREED**.

14 STRATEGIC ASSET ALLOCATION PAPER

Following a part 2 discussion recommendation 2 was **AGREED**.