

**MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT  
COMMITTEE  
HELD ON THURSDAY, 28 JANUARY 2021**

**COUNCILLORS**

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

**ABSENT** Ergun Eren and Edward Smith

**OFFICERS:** Bola Tobun (Finance Manager (Pensions and Treasury) Jane  
Creer (Secretary) and Andy Ellis (Secretary)

**Also Attending:** Carolan Dobson (Independent Advisor), Daniel Carpenter  
(Aon), and Joe Peach (Aon)  
Neil Sellstrom (PIRC) (Item 5 only)  
Councillors Ahmet Oykener and Sinan Boztas (Local Pension  
Board Members)

**1**

**WELCOME AND INTRODUCTIONS**

Councillor Tim Leaver (Chair) welcomed everyone to the virtual meeting and  
Members and Officers were introduced.

Apologies for absence were received from Councillor Ergun Eren and  
Councillor Edward Smith. Councillor Milne was also unable to attend due to  
work commitments.

**2**

**DECLARATIONS OF INTERESTS**

There were no additional declarations of interest.

**3**

**MINUTES FROM THE LAST MEETING**

**AGREED** the minutes of the meeting of 26 November 2020 were agreed.

An update on costs requested by Councillor Neville would be actioned by the  
Pensions and Treasury Finance Manager for the next meeting. She was  
currently waiting for more information from London CIV.

**4**

**PENSION BOARD SUBMISSION**

**RECEIVED** a verbal update from the Pensions and Treasury Finance  
Manager.

NOTED

1. The Board would like the Committee to pursue arranging an AGM in early 2021. Members agreed that it was important and asked that options on how an AGM could be held be brought to the next meeting. A target date of June 2021 to hold the AGM was suggested.

**ACTION: Pensions & Treasury Finance Manager**

2. The Board was in support of what the Committee was doing and was interested in results of implementation going forward.

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## **ANNUAL REVIEW OF PIRC LGPS LEAGUE PERFORMANCE TABLE**

RECEIVED a presentation from Neil Sellstrom, Client Services Manager, PIRC Limited.

NOTED

1. Members had also received a copy of the slides by email.
2. The 2019/20 results showed the average UK LGPS Fund produced a return of -4.8% for the year. The performance of each of the major assets was shown.
3. Asset allocation was shown. There was little shift in the year between allocations. There was continued investment into 'green' investments within Equity and infrastructure.
4. Longer term asset performance was shown for each of the major asset classes.
5. Asset allocation changes over time showed how the LGPS had been diversifying.
6. Information specific to Enfield was shown, with comparisons to the Universe average. Overall, Enfield's strategy had been very positive. The fund result was well above average, including over the longer term. Enfield had taken a significantly lower level of risk than many of its peers and had delivered an almost average level of performance.
7. Quarter 1 losses had now been recovered and early indications looking forward were that 2021 would be a positive year.
8. The Chair advised that a comment made during the presentation had been inappropriate and that as a result, the Vice Chair had left the meeting.
9. Neil Sellstrom's apology was noted, but the Chair advised that the meeting would immediately move to the next agenda item and a way forward would be discussed with the Pensions and Treasury Finance Manager outside the meeting.

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## **ECONOMIC AND MARKET OUTLOOK**

RECEIVED a presentation from AON representatives.

NOTED

## PENSION POLICY & INVESTMENT COMMITTEE - 28.1.2021

1. Members had received a copy of the slides by email.
2. An overview and update was provided in respect of the fourth quarter 2020.
3. An update was given in respect of Covid-19 globally and the virus trajectory, and market reactions.
4. An update was given on the new UK-EU Trade and Cooperation Agreement and the market reaction to the deal, and on the outlook for UK GDP growth. Impacts were likely to be small versus the impacts of Covid-19. There was some potential for friction and uncertainty. There were benefits of a global approach to investment strategy.
5. In response to a query from Councillor Taylor, it was advised that emerging markets and Japan looked more favourable versus developed markets.
6. The market outlook was set out. Modest rises in yields were expected.
7. The latest fund valuation was presented. The fund needed to be well diversified. How the Covid-19 vaccine developments played out would be key. Enfield was in a strong position at the start point for the investment strategy review.
8. In response to Members' queries, it was confirmed there was an expectation of future growth, but some market risks remained and it would be a balance to retain market exposure and a level of protection and diversification. Issues around China were discussed, and that the US / China relationship would be critical to the global economy going forward.

### **7**

#### **KEY DEVELOPMENTS ON INVESTMENTS & ASSET MANAGERS UPDATE**

RECEIVED a further presentation from AON representatives.

NOTED

1. Members had received a copy of the slides by email along with those for the previous presentation.
2. An update was provided on Longview Global Equity, and asset managers and performance discussed.

### **8**

#### **DRAFT ENFIELD PENSION FUND BUSINESS PLAN AND PPIC WORK PLAN FOR 2021/22**

RECEIVED the report of the Pensions and Treasury Finance Manager.

NOTED

1. The Pension Fund business plan and the Committee work plan were presented for review.
2. Members' comments were noted.
3. It would be helpful if the opportunity was given at all Committee meetings to review the work plan.

4. There was an obligation around ESG and there should be a specific review of the Fund position, with July 2021 the suggested date.
5. A date should be set for June or early July 2021 to hold the AGM. Options in respect of the AGM should be presented for consideration at the next Committee meeting, which would give sufficient planning time.

**AGREED** that Pension Policy and Investments Committee:

- i) Noted and approved the business plan attached as Appendix 1 to the report; and
- ii) Noted and approved the revised work plan for 2021/22 attached as Appendix 2 to the report, with the minor caveats noted above in the discussion.

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### **REVISED ENFIELD PENSION FUND GOVERNANCE STATEMENT AND NATIONAL GUIDANCE AND REQUIREMENTS UPDATE**

RECEIVED the report from the Pensions and Treasury Finance Manager, brought back with amendments since the last meeting.

NOTED

1. The officer delegations were updated to reflect staff changes.
2. There would be a report submitted for Council approval in respect of the Committee composition.

**AGREED** that Pension Policy and Investments Committee:

- i) Noted and considered the contents of the report especially the National Guidance and Requirements for Governance;
- ii) Approved Enfield Pension Fund draft Governance Policy and Compliance Statement, attached as Appendix 1 to the report; and
- iii) Approved the approved Scheme of Delegation which was included as Appendix A of the attached draft Statement to the report.

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### **LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE**

RECEIVED a verbal update from the Pensions and Treasury Finance Manager.

NOTED

1. Some admitted bodies, particularly academies, were leaving the LGPS to join the LPFA. There was no ability to require them to stay. Leaving was at their own risk.
2. The exit cap regulation which came into force in November was affecting some long-serving employees who were over 55 and being made redundant. HR and Pensions Team were looking into ways of assisting those affected.

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## **ANY OTHER BUSINESS**

NOTED

1. The new fund benchmark MSCI World Low Carbon Index, Blackrock was offering has not been formally approved by the Aon research team as the review is yet to be completed. Members were content to continue with the current approach going forward.
2. Members were aware of the delay in finalising statutory accounts, but this had no impact on security or the assets of the pension fund.

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## **EXCLUSION OF PRESS AND PUBLIC**

The Committee **AGREED** that in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the item moved to part two of the agenda on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

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## **LONDON CIV QUARTERLY UPDATE**

RECEIVED an update from the Pensions and Treasury Finance Manager.

NOTED Members' views were sought on London CIV current investment offerings, comments noted and a request for a meeting with London CIV investments team.