

LONDON BOROUGH OF ENFIELD  
LOCAL PENSION BOARD  
1 DECEMBER 2015  
CIVIC CENTRE ENFIELD

MINUTES

Members

Cllr Dinah Barry (Chair) - Employer Representative  
*Cllr Robert Hayward – Employer Representative*  
Cllr Andrew Stafford – Employer representative  
Paul Bishop – Employee Representative  
Pauline Kettless – Employee Representative  
Robert Ayling – Employee Representative  
Martin Keenan – Employee Representative  
*Eileen Carberry – Employee Representative*

Officers

Paul Reddaway – Head of Treasury and Pensions  
Julie Barker - Head of Exchequer Services  
Also attending:

Cllr Toby Simon JP - Observer  
Elaine Barber - Minute Clerk

*Italics denote absence*

1. APOLOGIES

**RECEIVED** an apology for absence from Eileen Carberry.

**NOTED** the absence of Councillor Hayward.

2. DECLARATION OF INTERESTS

None- other than those previously declared.

3. MINUTES 23 SEPTEMBER 2015 – PENSION BOARD

**RECEIVED** the Pension Board Minutes of the 23 September 2015, a copy of which is included in the Minute Book.

**NOTED** that the Minutes were agreed and signed by the Chair as a correct record, subject to the following amendment:

Accounts (Minute No 4(b))

A meeting with the Actuary was planned to take place in May 2016, with a report to

Members in October 2016.

4. UPDATE ON THE WORK OF THE PENSION POLICY AND INVESTMENT (PPI) COMMITTEE

**RECEIVED** the Minutes of the Pension, Policy and Investment Committee, dated 19 November 2015.

Paul Reddaway drew Members' attention to the relevant points of the Minutes.

**NOTED:**

(a) London CIV

The London CIV had been formed in response to Government's request for the LGPS to pool funds.

Baillie Gifford, a Global Equity Manager, had signed an agreement with the CIV and a number of London Boroughs were considering investing with them, thereby receiving a significant reduction in charges.

The PPI Committee had recently met with Lazard another Global Investment Manager and was unimpressed with their performance over the last 5 years. Following a meeting with Baillie Gifford Members unanimously agreed to withdraw the Funds invested in Lazard and reinvest in Baillie Gifford via the London CIV. It is anticipated funds will be invested in January/February 2016.

*Clerk's Note: Councillor Stafford left the meeting.*

(b) Passive Equity Holding

The transition of Passive Equity holdings into the London CIV would take place as soon as possible. The LBE Fund had invested in BlackRock, a Passive Global Equity, who was one of two managers who had signed up to the London CIV.

(c) Arcus

The PPI Committee would make a decision on the Arcus Liquidity offer by the end of January.

(d) Adams Street

The PPI Committee had met with Adams Street Partners, a Private Equity Manager and was impressed with their performance. Adams Street had 10 LGPS clients with 4, including the LBE Fund,, in the CIV. Fees had been lowered with effect from 2015 and LGPS subscriptions had been aggregated, resulting in a discount on investments.

Members resolved to continue with the annual \$10m subscription for 2016.

(e) Lazard

Due to the poor performance, the PPI Committee had agreed to dis-invest from Lazard, a Global Unconstrained Equity Fund. A portion of the investment, (c £60m) would be invested in Baillie Gifford. (see Minute 4(a))

5. PRESENTATION ON PENSION FUND MEMBERSHIP

**RECEIVED** “LGPS – Non Members“, a copy of which is included in the Minute Book and a verbal report from Rushil Sharma.

**REPORTED** that the report identified groups which made up the Non Members of the LGPS by analysing age, gender, workplace, part time or full time and income.

**NOTED** that

(a) currently the LBE pension scheme had:

- 7090 current members
- 4675 retired members
- 4850 deferred members
- 1420 frozen/undecided members
- 3928 non-members

(b) 2168 non- members were aged between 35 to 59 and made up 55% of the total non-members. Of this 55% - 1873 (86%) were female and 295 (14%) were male.

(c) 65% of non-members were from schools and 35% were from Corporate  
Of the 65% (2540) of School non-members 82.91% were female and 17.09% male.

(d) Corporate non- members - 68.1% (946) worked part time, 707 were female and 239 male.

(e) School non-members – 96.65% (2455) worked part time, 2058 were female and 397 male.

(f) 93.53% (3380) non-members were currently earning between £15,000 and £29,999 per annum. (no info on 269 non-members). 80% were female and 20% male.

(g) focusing on non- members who earned between £0 - £30,000 the LGPS could receive an estimated £4.3M if they opted into the pension scheme. If all non-members opted in the scheme would receive an additional £4,908,928 in contributions.

(h) Members discussed the data and ways to try and encourage non- members to join the scheme .It was agreed that the pension fund is one of the benefits of working for the council and that we would like our officers to take advantage of this if at all possible.

- (i) Members thanked Rushil Sharma and Julie Barker for the presentation.

6. INFORMATION UPDATE ON LGPS ISSUES AND CONSULTATIONS

**RECEIVED** “Administering Authority Briefing Paper”, a copy of which is included in the Minute Book and a verbal report from Julie Barker.

**REPORTED** that Julie Barker and Paul Reddaway were in the process of completing a compliance list for the pension’s regulator. Julie Barker had started the document following consultation with Aon Hewitt, Actuary, and would report back to Members at the next meeting.

**ACTION: JULIE BARKER**

**NOTED:**

(a) Code of Practice

The new framework covered 4 core areas:

- Governing Your Scheme
- Managing Risk
- Administration
- Resolving Issues

(b) Annual Benefits Statements

According to a survey, only 7 out of 73 administering authorities would meet the 31<sup>st</sup> August statutory deadline for issuing 2015 statements. Statements must be issued by 30 November 2015.

The LBE Fund has 3 membership groups requiring statements

- Deferred Members
- Active Members
- External Employers

Deferred Members’ statements had been sent.

Active Members would be sent at the end of the week

External Employers would be delayed due to insufficient evidence from Employers. The Pension Regulator would be advised of the non-compliance.

Members discussed the problem and agreed that, if the Fund was fined due to External Employers failure to provide information, the fine should be passed on to them.

(c) Guaranteed Minimum Pension Reconciliation

Due to a change in the Pensions Act 2014, LGPS employers and employees

would suffer an increase in National Insurance Contributions from April 2016.

HRMC would withdraw the current contracted out query service at the end of December 2018. Also, members receiving a statement from HRMC would hold the LBE Fund responsible for paying out contracted benefits and the Authority would be required to reconcile the contracted out membership and GMP records with those held by HRMC by December 2018. As this was a complex exercise it was expected to take a considerable time. Therefore, in the New Year, LBE would register with the Scheme Reconciliation Service (SRS) and start a procurement process to find a suitable third party to assist with this enormous task.

(d) Annual Allowance

The changes to the annual allowance for tax relief on pensions would affect 10 members this year. However, none would incur a tax liability. More members would be affected next year.

(e) Life Time Allowance

The lifetime allowance (LTA) was gradually being reduced from £1.8m in April 2011 to £1m in April 2016. The reduction of the LTA had caused a number of “high earners” to leave the scheme.

(f) New Pension Web Page

Julie Barker would provide an update at the next meeting.

**ACTION: JULIE BARKER**

(g) Members Self Service Update

Due to work demands, the project had been delayed. It was planned to resume the project in the New Year, when a pilot scheme would be launched.

(h) Enfield 2017

The Pension Team had responded to a large number of follow up queries from staff affected by the transformation and was currently meeting deadlines to calculate actual pension grants and capital costs. Staff had been notified and payments processed when leaving notices were received.

The board asked for the cost and amount of officer time spent on providing advice for fund members.

**ACTION: JULIE BARKER**

7. WORK PROGRAMME FOR NEXT MEETING

- Manager Expenses

**ACTION: PAUL REDDAWAY**

8. DATE OF NEXT MEETING

Thursday 24 March 2016 @ 2:00pm – Enfield Civic Centre.

A training session on Pension Fund Administration and Benefits would be arranged in February 2016.

**ACTION: JULIE BARKER**

The meeting closed at 4:15pm.

Signed .....  
Chair of Pension Board

Date.....