

London Borough of Ealing Pension Fund

Local Government Pension Scheme

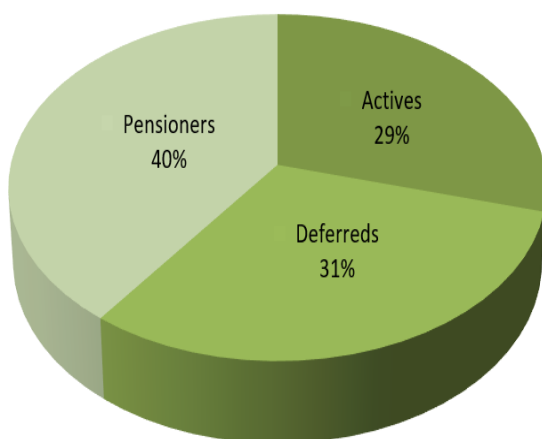
Annual Newsletter 2021/2022

Welcome to the London borough of Ealing Pension Fund 2022 annual newsletter, which includes details of the fund position as at 31st March 2022 and an update on developments during the previous financial year. A full copy of the [annual report for the year ending 31 March 2023](#) includes the full accounts.:

Fund membership at 31st March 2022

There are three main categories of members in the London borough of Ealing Pension Fund:

- Active Members (employees of the council or one of its Admitted or Scheduled Bodies)
- Deferred Members (previous contributors to the pension scheme who, before retirement, have frozen their pension or left their employer without transferring their pension to another scheme)
- Pensioner Members, including widows or dependants (those who are currently receiving a pension from the Scheme)

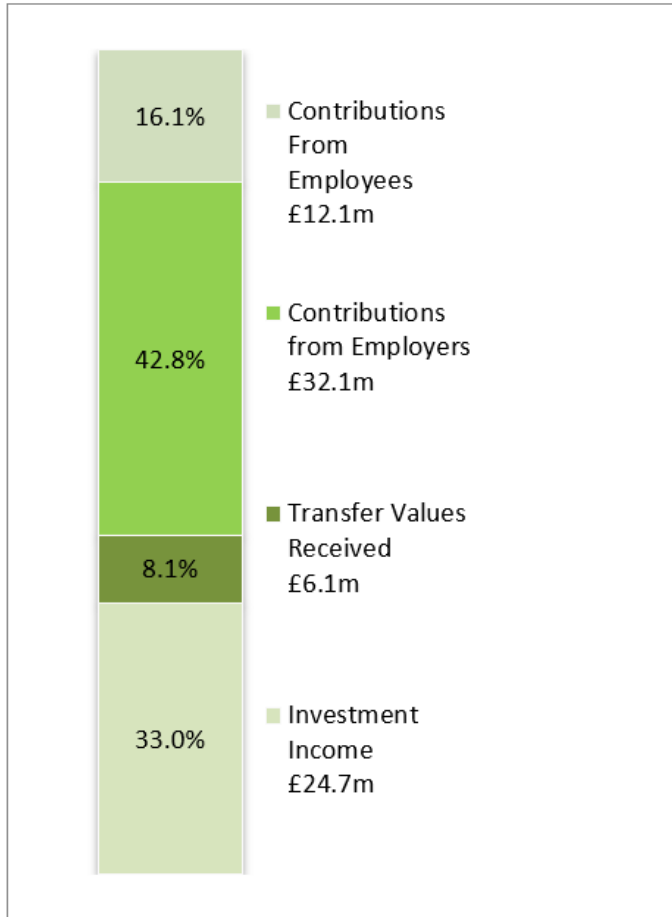


Category	31/03/22 (Number)	31/03/22 (%)	31/03/21 (%)
Active members	7,405	29	31
Deferred members	7,795	31	39
Pensioners/Dependants	10,089	30	30
Total	25,289	100	100

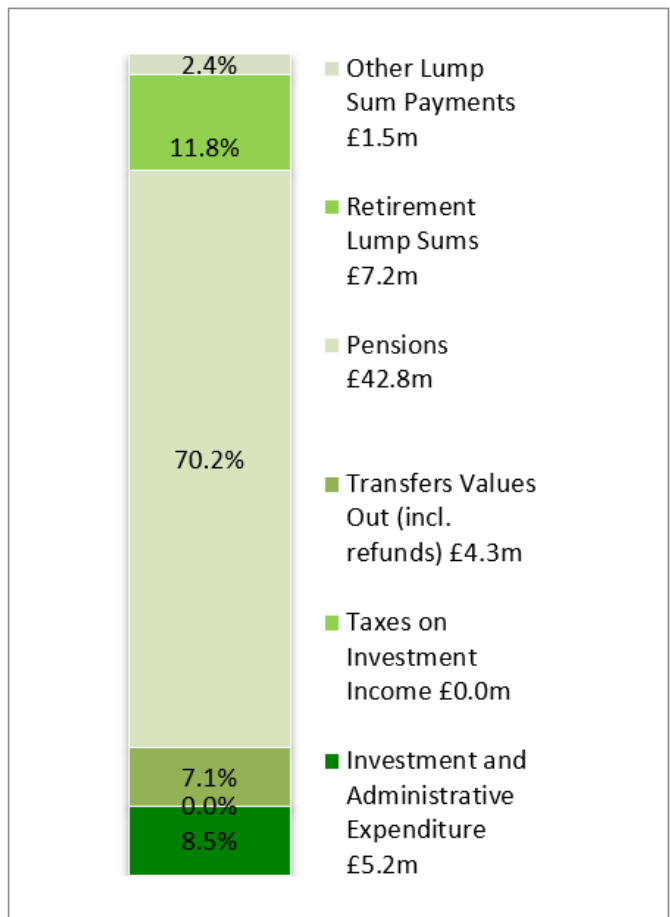
Financial summary of the year ending 31st March 2022

Overall, the Pension Fund achieved a net surplus for the year of £14.0m (inclusive of investment income).

**Pension Fund Income 2021/22
for the year totalled £75.0m**

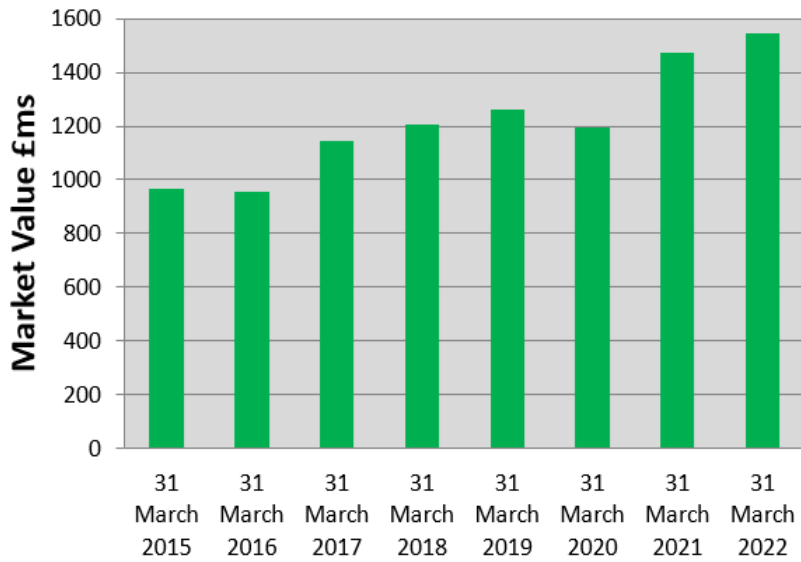


**Pension Fund Expenditure 2021/22 for the
year totalled £61.0m**



At the end of March 2021, the market value of the Pension Fund's total assets was £1,546.2m, compared to £1,473.1m in March 2020, an increase of 6.1% over the year. The graph below shows how the value of the Fund has changed in recent years.

Please bear in mind that your LGPS pension is dependent on your length of service and salary. The effect of market volatility on the assets of the Fund will therefore not affect the pension you currently receive or are entitled to.

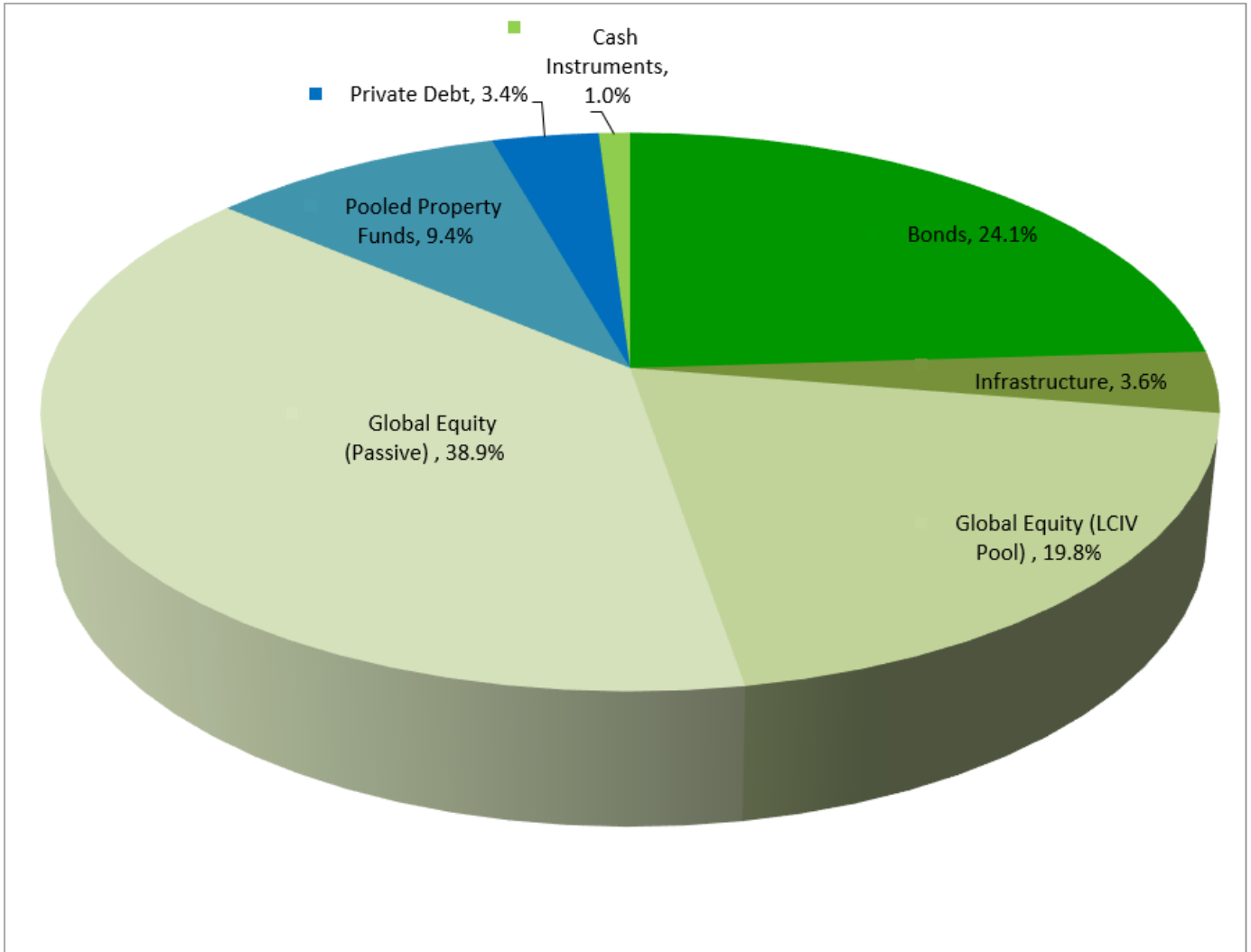


Market Value as at £m	Market Value £m
31 March 2015	968
31 March 2016	954
31 March 2017	1,146
31 March 2018	1,203
31 March 2019	1,260
31 March 2020	1,192
31 March 2021	1,473
31 March 2022	1,546

Investment Review for the year ending 31 March 2022

The money that is held by the Pension Fund is invested in stock markets, corporate bonds, and pooled investment vehicle funds to help earn more money for the Fund. This helps to pay for the benefits, which you currently receive or will receive in the future. The graph below shows where the Fund invested these assets.

Where the Pension Fund money is invested (%)



How the fund performed

The Pension Fund money is managed by ten externally appointed Fund Managers who have performance targets to meet. Their performance is compared to the average of a group of Local Authority Pension Schemes (PIRC) below:

Financial Year	Ealing	Local Authority Average
1 year to 31 March 2022	5.5	8.6
3 years to 31 March 2022	6.8	8.6
5 years to 31 March 2022	6.1	7.1

Top 15 holdings of the London Borough of Ealing Pension Fund at 31 March 2022

Top 16 Holdings at 31 March 2022	Market Value (£'000)	Proportion of the total Fund
Description: IIF UK 1LP	54,726	3.54%
Lothbury Property Fund	50,296	3.25%
ACS World ESG EQ Tracker-X2A	48,370	3.13%
Standard Life Long Lease Property Fund	43,916	2.84%
Federated Hermes Property Unit Trust	42,376	2.74%
Permira Credit Solutions IV Senior GBP SCSP	29,124	1.88%
Churchill Middle Market Senior Loan Fund II	16,824	1.09%
Apple Inc COM NPV	14,615	0.95%
GS GBP LIQ RES Inst	14,515	0.94%
Microsoft Corp COM USD0.00001	14,342	0.93%
Apple Inc COM NPV	11,720	0.76%
Microsoft Corp COM USD0.00001	11,104	0.72%
Royal Lon STER EX YL BD-SI	10,766	0.70%
Anthem COM	8,928	0.58%
Microsoft	7,867	0.51%
Alphabet	7,684	0.50%

Role of the Pension Fund Panel

The Pension Fund Panel meets at least four times a year and responsibilities include:

- Investment Performance – to set targets and benchmarks and to monitor performance against these.
- Management of Investments – decide upon the asset allocation of the Fund and the appointment of fund managers.
- To make recommendations on policy and staff related issues, which have an impact on the Pension Fund directly or indirectly through changes in employer pension contribution rates.

The council members serving on the panel are:

Labour
Cllr Callum Anderson (Chair)
Cllr Kamaldeep Sahota (Vice Chair)
Cllr Yvonne Johnson
Cllr Rajinder Mann
Cllr Paul Driscoll
Cllr Dee Martin
Conservative
Cllr Anthony Young (Opposition Spokesman)
Non-voting member:
Sukhminder Kalsi (Unison)

Role of the Pension Board

Their role of the Board is to;

- Secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme,
- To ensure the effective and efficient governance and administration of the Scheme.

The Board was constituted under the Public Service Pensions Act 2013 and held its first meeting on the 6 July 2015 before the recommended Scheme Advisory Board (SAB) deadline of 31 July 2015. The board consists of two representatives of the scheme employers, and two representing scheme members as shown.

Name	Representation
Ian Potts (Chair)	Pensioners
Cllr Tariq Mahmood	Employers
Richard Lane	Employers – Director of Finance – Twyford Academy
Mary Lancaster	Members – Unison Officer
Dennis Frost	Pensioners
Estella Makumbi	Pensioners

Local Government Pension Scheme Updates

- **Collaboration** – The council participated in an initiative launched across London LGPS Funds to jointly pool our investments and reduce costs. As early adopters we helped to set up the company embracing the initiative long before the government announced that all LGPS schemes are required to pool their investments. The government expects pools to improve governance and promote more infrastructure investments amongst other benefits. All Funds are expected to assess the possibility of investing through their chosen pool from April 2018. The London pool called the London Collective Investment Vehicle (CIV) is fully operational and the Fund has already migrated some of its investments through the pool and achieved substantial savings for the fund.
- **Governance** – The council set up a newly constituted body, The Pension Board in line with LGPS regulations brought on by the Public Sector Pensions Act 2013. The Board has been overseeing that the Fund is complying with relevant laws and regulations and ensuring that the Funds governance arrangements are effective and efficient. The Board was expanded over the reporting year from four to six people to afford more resilience and therefore now consists of six members as above.

2022 Member Contributions

As mentioned above while the average contribution rate for members remains 6.5%, the structure has been altered to be more progressive (as shown below).

Also the table reflects the rate paid on actual pay and not full time equivalent as was previously the case.

Band	Actual Pensionable Pay	% Contribution Main Scheme	% Contribution 50/50
1	Up to £14,600	5.50	2.75
2	£14,601 to £22,900	5.80	2.90
3	£22,901 to £37,200	6.50	3.25
4	£36,201 to £47,100	6.80	3.40
5	£47,101 to £65,900	8.50	4.25
6	£65,901 to £93,400	9.90	4.95
7	£93,401 to £110,000	10.50	5.25
8	£110,001 to £165,000	11.40	5.70
9	£165,001 or more	12.50	6.25

For further information on the LGPS contributions please visit www.lgps.org.uk.

Administration

Administration of the London borough of Ealing Pension Fund is outsourced to the Local Pensions Partnership Administration. They deal with all aspects of the scheme and should be the first point of contact for all queries.

Contact details

Ealing Pension Team
LPPA - Your Pensions Service
PO Box 1383
Preston
PR2 0WR

Website: www.lppapensions.co.uk

To access the secure system, you will firstly need to sign up for my pension online on the [LPPA website](#). Once you have your activation code you can go online and set up a username and password. If you have more than one pension payroll number, you only need to complete the registration process once.

Pensioners, please note that your pension is paid by Ealing council and any enquiries about your payment should be directed there (see details below):

Ealing council
Payroll department
Perceval House
5th Floor
14-16 Uxbridge Road
London
W5 2HL
020 8825 9000

For any queries on the contents of this newsletter please contact treasury and investments team by email Treasury@ealing.gov.uk. Or call

- **Bridget Uku**
Group Manager
020 8825 5000
- **Nyce Higi**
Financial Accountant
020 8825 5000

Glossary

Admitted bodies

Bodies whose staff can become members of a LGPS fund by virtue of an admission agreement between the administering authority and the relevant body.

Bonds

A security issued by a corporate or government body borrowing in the capital markets. Bonds promise to pay interest (coupons) during the life of the bond plus the initial amount borrowed. Corporate bonds may be secured over the assets of the firm, or they can be unsecured.

Equities

The general term for ordinary shares issued by companies.

Fund managers

Firms of investment professionals appointed by an investments or pensions committee to make day to day investment decisions for the fund within the terms of an investment management agreement.

Scheduled bodies

These are the organisations listed in the Local Government Pension Scheme (Administration) Regulations 2008 (Schedule 2, Part 1) and include county councils and district councils.

Transfer values

Value of the pensions employees transfer in or out of Ealing's Pension Fund