

bexley pensions 2003

Special points of interest:

- Your Pension is safe
- A new Pension Fund strategy has been implemented to ensure the continued excellent performance of the Bexley Pension Fund
- Latest news on pension rights and government proposals.
- Do you know..... interesting facts about the borough.

Welcome to the latest edition of "Bexley Pensions"



Once again this annual newsletter brings you a variety of information relating to your Pension and Bexley Council's Pension Fund.

Given all the recent news about Pension Funds being closed or being at risk we thought it timely to reassure all members of the Fund that your Pensions are safe – the money that you pay in whilst working for the Council provides you with a guaranteed pension.

Your pension will not be cut or be at risk as a result of falling Stock Market prices.

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Inside this newsletter you will find a report on the performance of the Fund over the last year, but more importantly figures on the Fund's performance over the last fifteen years.

For your interest, you will also find throughout this publication photographs available from the Bexley Local Studies and Archive Centre. We hope you find these interesting, no matter what your youth.



Bexley Heath Railway Station : c. 1920

Contacts

If you have any questions about the Scheme, including the calculation and administration of benefits please contact :

London Pensions Fund Authority
Dexter House, 2 Royal Mint Court,
London, EC3N 4LP

Telephone:
Gill Taylor 020 7369 6051
Gary Wallace 020 7369 6080

If you have any questions about your Pension Payment please contact :

ITNET UK Ltd
Marlowe House
Station Road
Sidcup DA15 7ET

Telephone :
Glenys Arney 020 8303 7777 ext 8866

If you would like to know more about the Pension Fund's investment performance, would like to learn more about the Fund's voting policies or have any comments about this newsletter please contact Jane Axam on 020 8298 0123 or e-mail jane.axam@bexley.gov.uk





Welling High Street



The Woodman, Blackfen



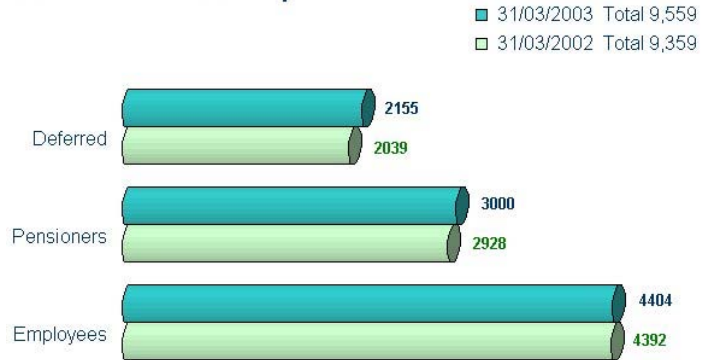
Station Road, Belvedere c.1915



Erith Police Station & High Street : c.1920

Review of the Fund 2003

Scheme Membership



Bexley's Pension Fund has continued to grow over the past year with membership rising from 9,359 to 9,559.

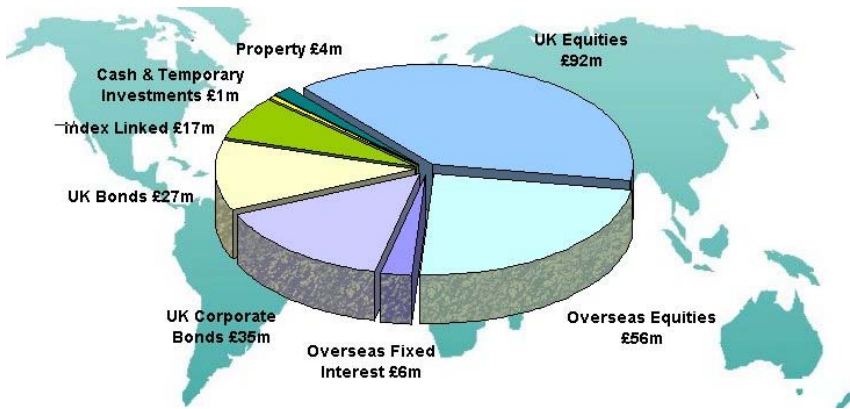
Strategic Investing

As at April 2003 the final phasing of the new asset allocation was completed. Following last year's asset liability study the Pensions Committee decided to reduce the Fund's holdings in equities and increase those in bonds. As the performance table shows below, the Fund's performance was greatly aided by the returns generated from bonds and other non-equity holdings. Although equities are currently producing very poor returns it is still important to retain a significant equity allocation as this sector can produce much higher returns over the longer term. The asset liability study was commissioned to advise the Pensions Committee on an appropriate equity/non-equity split to create a fund portfolio that was balanced in terms of risk and yet could meet its long-term pension commitments.

Sector Returns 2003



Where the money is invested



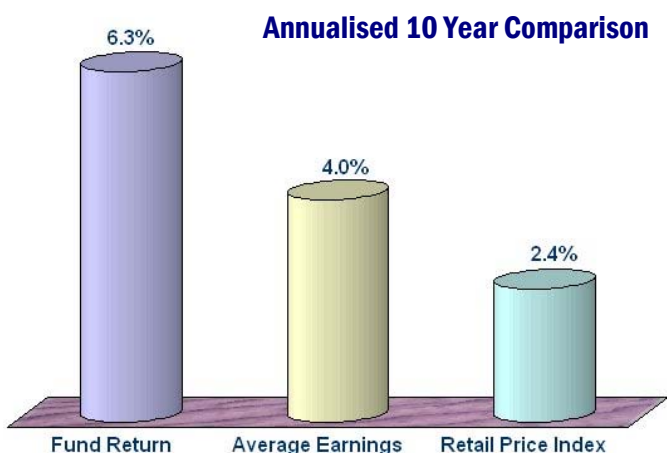
The chart above shows the approximate 60/40 equity/non-equity split of the fund, following the recommendations of the asset liability study last year.

A Long-Term Look at Investment Returns

In this difficult economic period much is made of the problems facing pension funds and it is true that some short term returns can make terrifying reading. However it is very important to remember that pension funds are a long term provision and therefore should be judged from a long term view point.

This past year Bexley's fund has performed approximately on a par with the new benchmark just showing a small underperformance of -0.5%. In absolute terms the actual return was poor at -19.0% but over 5 years this performance improves dramatically to -1.0% and over 10 years to +6.3% .

Over 10 years the fund also compares favourably against both the retail price index and the average earnings index at 2.4% and 4.0% respectively.



High Street, Sidcup



West Street, Central Schools and St John's Church, Erith



Pier Road, Erith



High Street, Crayford



Lamorbey Post Office and Stores, Halfway House Sidcup



Erith High Street



Bridgen and The Blue Anchor Inn 1912



High Street Welling

Review of the Fund 2003

A Long-Term Look at Investment Returns (Cont'd)

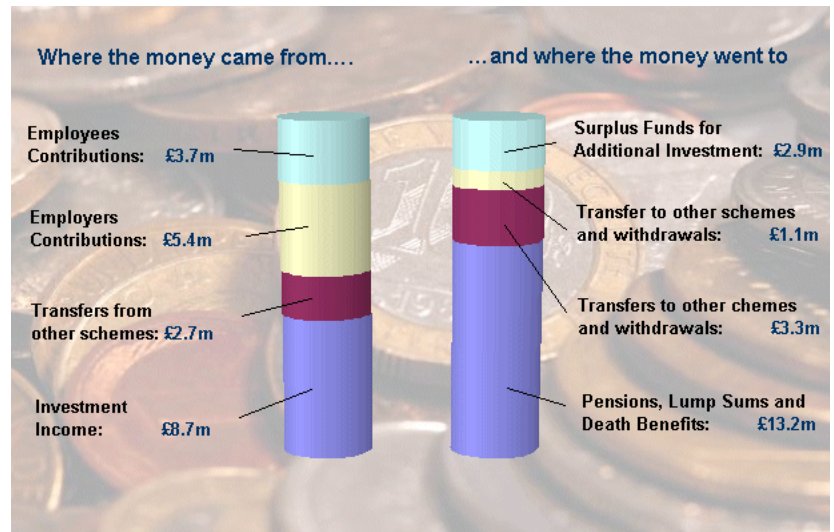
	Annualised Return		
	15 yrs	10 yrs	5 yrs
Fund Return	9.5	6.3	-1.0
Benchmark	8.6	6.3	-1.4
Outperformance	0.9	0.0	0.4

Over 3 successive longer-term time periods the pension fund return looks more and more healthy. Obviously the shortest period is skewed by the poor return this past year, but even then the fund still managed to out-perform the benchmark.

How the Fund was used in 2003

During the year the fund received £20.5m in income. The main sources of which were the income from assets and contributions from both employees and employers.

From this income, £13.2m was needed to cover the payment of pensions, lump sums and death benefits. The majority of the remainder was held for re-investment.



Statement of Investment Principles



In July 2003 the Pensions Committee approved an updated version of the Statement of Investment Principles (SIP). The SIP was recently updated to reflect the latest decisions regarding the benchmarking of the fund and fee structure.

The aim of the SIP is to provide a clear and comprehensive pension fund policy statement. The statement is required to cover 10 main principles set out by the Government.

Recently the Pensions Committee decided to join the Local Authority Pension Fund Forum (LAPFF). The LAPFF identify socially responsible investment issues and, as a collective voice, aim to engage companies to address these issues on behalf of all Local Authorities.

If you would like a copy of the latest version of the SIP please contact Jane Axam extn 2651 or email treasury@bexley.gov.uk

Pension Fund Annual Report 2002/2003



This year's Annual Report is available to all on request. It provides a more detailed review of the fund including long term performance and economic background. It also has information on accounting policies and pension benefits.

Please contact Jane Axam on extn 2651 or email treasury@bexley.gov.uk to reserve a copy.



St John's Church Bexley



Unexploded bomb in Murchison Avenue, Bexley.



Woolwich Road Belvedere 1906



The Three Blackbirds, Blendon



Bexley Police Rifle Club 1913-1914



Bexley Village Blacksmith



Council Offices and Station Parade, Erith 1920



No 6 tram at Northumberland Heath

Pension Rights for Part-timers:

It has been a bone of contention that many part-time employees have not been allowed to join their occupational pension schemes, merely because they did not work over 14 hours per week. For those workers, the vast majority of whom are women, it has meant missing out on employers' contributions towards pension funds.



Previously part-workers such as mothers could have been disallowed membership of the LGPS pension scheme.

Under existing equal pay legislation, treating part-time workers differently to their full-time (and usually male) counterparts can constitute a form of indirect sexual discrimination. This lack of equal treatment can be the basis of a claim.

Further progress has been made on this matter over the last year and it is hoped that any claims which have been registered with an Employment Tribunal can be settled over the next few months.

Consultation on the final details is underway but it is hoped that your employer/The Council will, later this year, be contacting those individuals whose claims can now be settled or where further information is required before a decision can be made.

Successful applicants will eventually be notified of the contribution arrears due. They will be informed of the lump sum and pension that would derive from payment of these arrears and then they can decide whether to backdate their contributions.

Latest Government Pension Proposals

The Green Paper on Pensions issued by the Government earlier this year proposes major reform in areas including:

- i) promoting employment among older people:

the State Pension age will remain at 65, but people will have more choice in working longer. Compulsory retirement ages will end, except where there is justification



Compulsory retirement at 65 will end.

- ii) informed choice for individuals:

the Paper suggests a simple framework to help people understand their options

- iii) a simpler tax pensions framework:

under new rules, more than 99 per cent of the population will be able to save more in a pension

- iv) the Paper also considers schemes to make pension membership a condition of employment

In 2001 Government Ministers agreed that a stocktake exercise should be undertaken on the Local Government Pension Scheme (LGPS) as part of the Office of the Deputy Prime Minister's (ODPM) stewardship responsibilities for the scheme. Since then the ODPM has issued three consultation papers seeking further views on some of the issues raised by the first stage of the stocktake. The Government has yet to announce any firm proposals.



Bexley Mill, High St Bexley



Crossness Pump Station, opened by the Prince of Wales in 1865



All Saints Church Footscray Meadows, heavily restored in the 1860's.



St Paulinus Church - parts date back to 12th century.

Do you know.....?

What the name Bexley means?

The name Bexley, means the 'clearing in the box wood'.

Bexley's famous residents?

Quite a number of famous people have lived or were born in the Borough over the years. Notable among them are:

Singer and songwriter **Kate Bush**, actor **Sir Michael Gambon**, author **Roald Dahl**, Olympic athlete **Steve Backley**, heavyweight boxer **Lennox Lewis**, the Rt Hon **Edward Heath, MBE, MP** and famous TV cook, **Delia Smith**.

Going further back we also have:

Sir Hiram Maxim, who gave his name to the automatic machine gun and who was making manned flights at Baldwyns Park in July 1894, nine years before the Wright Brothers eventually got off the ground.



Sir Hiram Maxim's airplane



Wallpaper designed by William Morris

William Morris, the Victorian artist, poet and designer, who built Red House at Bexleyheath. A bust of Morris now sits on the Clock tower at Bexleyheath.

More interesting borough facts.....

The famous adventure story 'Robinson Crusoe' has links with the borough. A man named Alexander Selkirk was brought back to Erith after being rescued from a desert island. His escapade was brought to life in the book by Daniel Defoe in 1719. The story is remembered in Bexley by the naming of Friday Road and Crusoe Road in Erith.

The Great Harry, a famous Tudor warship, was built in Woolwich and fitted out in Erith in 1515. A public house in Parsonage Manorway, Belvedere is named after it.



The Great Harry warship

Crayford Town Hall was built in 1915 as the canteen and mess room for the workers at Vickers Armaments Factory. Barnes Wallace, inventor of the Bouncing Bomb worked at Vickers in the 1920s. It was this device that smashed the dam at Mohne in 1943 and was made famous in the film 'The Dambusters'.



The Red House—built by a Victorian artist and poet.



Danson Mansion - designed by the architect of the Bank of England.



Foots Cray Meadows once the grounds of Foots Cray Place—the former home to a Chancellor of the Exchequer.



Market Place, Bexleyheath

Most of the photographs used throughout this newsletter and many more besides can be purchased from the Bexley Local Studies and Archive Centre located in the Central Library, Townley Road .

For more information please contact Frances Sweeny on 020 8301 1545

