

# Croydon Council

<b>REPORT TO:</b>	<b>PENSION COMMITTEE</b> <b>7 March 2017</b>
<b>AGENDA ITEM:</b>	<b>6</b>
<b>SUBJECT:</b>	<b>Pension Committee Forward Plan</b>
<b>LEAD OFFICER:</b>	<b>Richard Simpson</b> <b>Executive Director of Resources</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: Ensuring that the pension fund is being given appropriate guidance and direction through the governance of the Pension Committee.	
<b>FINANCIAL SUMMARY:</b> There are no direct financial consequences to this report. However the implications of decisions taken by this Committee can be significant for the Revenue Account of the Council.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

<b>1 RECOMMENDATIONS</b>
1.1 That the Committee note the business plan for the next year.

## **2 EXECUTIVE SUMMARY**

- 2.1 It is recommended best practice for the Pension Committee (the Committee) to regularly review the forward plan. This report proposes a revised 2017/2018 forward plan which forms a business plan for the Committee.

## **3 DETAIL**

### **Forward Plan**

- 3.1 The forward plan below sets out an agenda for each quarterly meeting to be held in 2017/2018; however, further items may be added as required by senior officers in consultation with the Chair. There may be a need to add items in response to changing circumstances, such as any issues thrown up by the government's decision to require funds to pool assets, changes to the investment regulations or if there are further global market events requiring actions from the Committee.

- 3.2 There may be occasions when the Committee will wish to visit fund managers to discuss performance issues or other matters of concern as detailed later in the report. This will be driven by issues flagged up by the quarterly performance reporting.
- 3.3 The Committee has committed to a programme of training and in part, this can be delivered by sessions following on from or preceding the business part of the meeting. The content of training will be informed by the direction of future legislation; the outcome of the review of the investment strategy and the choice of investment vehicles.
- 3.4 With the introduction of the Local Pensions Board, some issues that previously were considered by the Committee are also being addressed by that body. This includes:
- Review of strategy and policy documents such as the Funding Strategy Statement and Investment Strategy Statement;
  - Key Performance Indicators;
  - Engagement with stakeholders;
  - ESG (Ethical, Social and Governance) and voting matters;
  - Assessment of the performance of professional advisors;
  - Consideration of Myners principles;
  - Matters relating to fees; and
  - Other matters of topical interest.
- 3.5 Matters relating to admission agreements, schools converting to academies and other scheme employers will be reported to the Committee on an ad hoc basis. The Committee undertakes a great deal of work outside of the regular, scheduled meetings. This activity includes visits to the fund managers who are responsible for investing the assets of the Pension Fund; interviewing potential new managers to better understand their approach to investment; and a number of structured training events, conferences and seminars.

### **3.6 The Pension Committee 2017-2018 Business Plan**

#### **3.6.1 June 6<sup>th</sup>, 2017 meeting (reporting on the March quarter's performance):**

Progress Report (quarterly monitoring).

To review and adopt:

- Croydon Council's discretions policy.
- Training policy – for the Committee, Board and officers.
- Communications policy.
- Terms of Reference for the Committee.

To consider the Pension Fund Audit Plan.

Engagement with Fund Managers: Schedule of visits and presentations relating to new commitments.

Award of Contract for Actuarial Services and Benefits Consultancy.

#### **3.6.2 September 19<sup>th</sup>, 2017 Meeting (Reporting on the June quarter performance):**

- Progress Report (quarterly monitoring).
- Draft Annual Report - including review of ISS.
- External Auditors Report.

- Risk Register.
- Business Plan
- Local Pension Board Annual Report.
- Progress update on London CIV

To review and adopt:

- Policy for Employers leaving the Fund.
- Internal Disputes Resolution Policy.
- Breaches of the law policy.
- Administration Strategy.
- Conflicts of Interest Policy (for the Croydon Pension Board).
- Local Pension Board annual review.

### 3.6.3 December 5<sup>th</sup>, 2017 Meeting (Reporting on the September quarter performance):

- Progress Report (quarterly monitoring).
- Review of provision of professional services by framework agreements.
- Communication of draft employer funding positions and contribution rates from Scheme Actuary.
- Review London CIV against Investment Strategy Statement (ISS) guidance (regulation 7 (2) (d)).
- Review of ESG investment principles for inclusion in ISS.

### 3.6.4 March 13<sup>th</sup>, 2018 Meeting (Reporting on the December quarter performance):

- Progress Report (quarterly monitoring).
- Risk Register.
- 2017/2018 Pensions Committee Forward Plan.
- Update on the work of the Local Pension Board.
- Review the Investment Strategy Statement.

3.7 This forward plan forms the business plan for the Committee. The Committee are asked to consider any changes necessary to the forward plan and subject to these, agree its adoption.

## 4 CONSULTATION

4.1 Officers have fully consulted with the Pension Fund's advisers in preparing this report.

## 5 FINANCIAL CONSIDERATIONS

5.1 This report sets out the forward plan for the Pension Committee..

## 6 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Acting Solicitor to the Council comments that the recommendations within this report do not give rise to any specific legal implications.

(Approved for and on behalf of Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer.)

**7 FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS**

7.1 There are no FOI or data protection considerations.

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