

Pension Committee

Meeting held on Tuesday 7 March 2017 at 10:00am in the Council Chamber, the Town Hall, Katharine Street, Croydon, CR0 1NX

DRAFT MINUTES - PART A

Present: Councillor J Audsley, Councillor S Brew, Councillor R Canning, Ms. G Driver, Councillor S Hall (Vice Chair), Councillor Y Hopley, Mr. P Howard, Mr. I Makumbi, Councillor D Mead, Councillor A Pelling (Chair), Councillor J Wentworth

Also present: Nigel Cook, Head of Pensions and Treasury; Freda Townsend, Governance And Compliance Manager; Richard Simpson, Executive Director Resources and Section 151 Officer; Lisa Taylor, Director of Finance Investment and Risk; David Lyons, AON Hewitt; Richard Warden, Hymans Robertson; Michael Ellsmore, Croydon Pension Board Chair.

MINUTES - PART A

A1 Minutes of the last meeting

The Committee **RESOLVED** to approve the Part A minutes of the last meeting held on Tuesday 6 December 2016 as a correct record.

A2 Disclosure of Interest

There were none.

A3 Urgent Business (if any)

There was no urgent business to consider.

A4 Exempt Items

The allocation of business between Part A and Part B was agreed as stated in the agenda.

A5 Pension Committee Forward Plan

The Head of Pensions and Treasury introduced the item and stated that the report set out the Committee's work cycle for the municipal year.

The Committee considered the report and requested that an item on currency exposure be brought to the June meeting.

The Committee **NOTED** the business plan for the next year.

A6 Risk Register

The Head of Pensions and Treasury reported that the register provided to the Committee was filtered down to risks rated 12 or higher. The main risks to the Fund were identified as the implementation of the European Union Directive known as (MiFID II) and the ongoing geo-political uncertainty surrounding the election of President Trump and the outcomes of the Brexit referendum.

The Committee discussed in further detail the risks to the Fund from the MiFID II implementation and officers present stated that there was optimism that central government would respond to concerns from LGPS representatives. The Committee also asked questions related to the ongoing legal action undertaken to recover debts owed by some academies in the scheme.

The Committee **NOTED** the Pension Fund risk register.

A7 Funding Strategy Statement and Valuation Report

The Head of Pensions and Treasury stated that the attached report was the proposed final version to be adopted by the Committee. The schedule of rates had not been finalised in time to be included with the agenda but the Committee were informed that the schedule would be available by the end of the month.

Richard Warden added that the strategy had to be reviewed every three years. The valuation report was almost finalised however there were some employers who had joined the scheme after the valuation and these rates were being finalised and would be published when completed.

The Committee asked questions pertaining to maintained schools within the valuation and their lump sum contribution to the deficit. In addition, questions were asked on the logistics of staff within the scheme who leave then return at a later date. Officers elaborated further on current legislation in Parliament that would affect higher-earning staff members in the scheme and the proposed limitations to benefits that would be received from early retirement.

The Committee **RESOLVED** to:

1.1 Note the outcome of the recent consultation on the Funding Strategy Statement.

1.2 Adopt the Funding Strategy Statement and Valuation Report.

A8 Investment Strategy Statement

The Head of Pensions and Treasury introduced the item and informed the Committee that the purpose of the statement, formerly referred to as the Statement of Investment Principles, was primarily to ensure that the Fund had sufficient assets to meet its liabilities.

The Committee **RESOLVED** to adopt the Investment Strategy Statement.

A9 Pensions Governance Policy and Compliance Statement

The Head of Pensions and Treasury reported that the governance policy was due for review and renewal by the Committee. The Local Pension Board had concluded a governance review of the Pension Committee which had reported to the Committee in the summer of 2016. Committee Members were invited to provide feedback to officers for ensuring that the compliance standards were being met.

The Chair of the Pension Board stated his approval of the policy and welcomed the focus on governance.

The Committee **RESOLVED** to adopt the Pensions Governance Policy and Compliance Statement.

A10 Progress Report for Quarter Ended 31 December 2016

The Committee **NOTED** the contents of the Part A papers then moved into Part B.

A11 [The following motion is to be moved and seconded as the “camera resolution” where it is proposed to move into part B of a meeting]

Councillor Pelling proposed, and Councillor Mead seconded, that the press and public be excluded for the remainder of the meeting.

The Committee **RESOLVED** to move into Part B of the agenda and exclude the press and the public for the remainder of the meeting.

The meeting finished at 11.39am.