

Pension Board

Meeting held on Wednesday, 21 July 2021 at 2.00 pm. This meeting was held remotely via Microsoft Teams

MINUTES

Present: Michael Ellsmore (Chair);
Co-optees: Richard Elliott, Teresa Fritz and Ava Payne

Also Present: Nigel Cook, Head of Pensions and Treasury
Alison Fisher, Governance and Compliance Manager (Pensions)
Victoria Richardson, Head of HR and Finance Service Centre
Gillian Phillip, Pension Manager

Apologies: Councillor Humayun Kabir
David Whickman

PART A

23/20 Minutes of the Previous Meeting

The minutes of the previous meeting held on 25 March 2021 were approved as an accurate record.

Matters Arising

The ongoing lack of payment to the PLSA was discussed and officers agreed that this would be resolved by the end of this month.

The Board noted that in minute 16/21 there was no mention of a Conflict of Interest Policy and felt that there should be.

24/20 Disclosure of Interests

There were none.

25/20 Urgent Business (if any)

There were no items of urgent business.

26/20 Croydon Pensions Administration Team Key Performance Indicators

The Board considered a report which detailed the Key Performance Indicators for the administration of the Local Government Pension Scheme (LGPS) for the three months period up to the end of May 2021. The Board received an introduction from the Head of HR & Finance Service Centre, Victoria Richardson.

In response to queries raised by the Board, the following was clarified:

- That officers would report to the next meeting the progress that Hymans Robertson was making in clearing the backlog.
- That the officers would notify the union when the Annual Benefit Statements were available on the website so that the union could help to ensure that people could access their statements.

RESOLVED – That the Board noted the contents of the report.

27/20 Reconsideration by Pension Committee of Decision to Transfer Property from Croydon Affordable Homes and Croydon Affordable Tenures to the Pension Fund

The Board considered a report presented to the Pension Committee which set out the argument for rescinding the earlier decision to transfer property from Croydon Affordable Homes and Croydon Affordable Tenures to the Pension Fund. The Pension Committee asked that a further report was prepared for the September meeting. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

During the consideration of the recommendations, the Board discussed the following:

- Whether the risk would fall to Croydon Council rather than the Pension Fund (a previous request to receive this advice in writing had not been received).
- There were currently resourcing issues within the Pension Team.
- That there were concerns around a potential conflict of interest

A vote to move to the recommendations was suggested by the Chair. This was proposed by Richard Elliott and seconded by Teresa Fritz. The vote was carried.

RESOLVED – That given the following issues the Board recommend the Committee to rescind the previous decision made in November 2018.

- The significant amount of elapsed time.
- The lack of clear ownership within the Council given the changes in the officer team since November 2018.
- The complexities of the project.
- The significant resource pressure on a small officer team which could have resulted in them taking their attention away from managing the Fund.
- The lack of clarity over where the substantial risks would fall with this scheme.
- The potential for apparent conflict of interest.

28/20 Review of Risk Register

The Board considered a report that recommended best practice, which resulted in the Pension Committee maintaining a risk register which covered the most significant risks faced by the Fund. This report presented the current register (Appendix A) for the Board's consideration. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

In response to queries raised by the Board, the following was clarified:

- There was a current lack of Cyber Security Policy. The officers were looking into cyber security training which would be rolled out to staff in due course.
- The Risk Register should take account of the Good Governance Project.
- There was acknowledgment that high level of turnover of the membership is a risk.

RESOLVED – That the Board noted the contents of the Pension Fund Risk Register.

29/20 Review of Board and Committee Training Plan

The Board considered a report that set out the proposed training plan for the Board and the Pensions Committee for the current year (2021/22) and invited the Board to comment. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

In response to queries raised by the Board, the following was clarified:

- The induction process should apply to both the Board and Committee.
- There was a specific module on cyber security and that all modules would be online.

RESOLVED – That the Board noted the contents of the Board and Committee Training Plan.

30/20 Review of Breaches Log

The Board considered a report that stated it was a requirement of The Pension Regulator for the Pension Fund to maintain a Breaches Log which detailed incidences where breaches had occurred. In line with the recommendations of the Aon Hewitt Governance Review, on 15 September 2020, the Committee agreed the revised Reporting Breaches of the Law Policy. This included a requirement for the Committee to monitor breaches on a regular basis. This report presented the current log (Appendix A) for the Board's consideration. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

In response to queries raised by the Board, the following was clarified that the Committee was asked to review whether a three-year rolling report would be possible.

RESOLVED – That the Board noted the contents of the Breaches Log

31/20 Funding Strategy Statement (FSS) updates - Exit Credit and Employer Flexibilities Regulatory Amendments

The Board considered a report advising it that the Pension Committee, at its meeting on 25 May 2021, had considered the changes introduced to the Local Government Pension Scheme in respect of exit credits and the options for contribution reviews. This report also suggested how these changes could be reflected in the Funding Strategy Statement. The Committee instructed officers to undertake an employer consultation on these changes. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

RESOLVED – That the Board agreed that as exit arrangements only applied to a few employers, the consultation on the website would be enough/sufficient.

32/20 Local Government Pension Scheme Advisory Board / The Pensions Regulator Update

The Board considered a report that advised the Board of the matter currently being considered by the Local Government Pension Scheme Advisory Board and the Pensions Regulator which were relevant to the Fund. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

RESOLVED – That the Board noted the contents of the report

33/20 Renewal of Governance Consulting Contract

The Board considered a report that outlined the process by which the Governance Consultancy contract, awarded through the National Local Government Pension Scheme Framework, had been extended by one year. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

In response to queries raised by the Board, it was clarified that an update would come to the next meeting.

RESOLVED – That the Board noted the contents of the report.

34/20 Reporting and Monitoring Contributions 2020/21

The Board considered a report that reminded the Board of its previous discussion in relation to the monitoring and payment of contributions by employers into the Pension Fund. It advised them of the position in relation to

financial year 2020/21. The Board received an introduction from Head of Pensions and Treasury, Nigel Cook.

In response to queries raised by the Board, it was clarified that the report showed that 2020/21 was fully paid up. The next quarter would be for April to June and that would come to the next meeting. For the next report it would for example, show which payments were 3 months or 6 months outstanding.

RESOLVED – That the Board noted the contents of the report.

35/20 Exclusion of the Press and Public

This was not required.

The meeting ended at 3.38pm.

Signed:

Date:

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