

Croydon Council

REPORT TO:	Pension Board 12 January 2023
SUBJECT:	Pension Committee 6 December 2022
LEAD OFFICER:	Matthew Hallett - Acting Head of Pensions and Treasury

1. RECOMMENDATION

- 1.1 The Board is asked to note the most significant matters arising from the meeting of the Pension Committee on 6 December 2022.

2. EXECUTIVE SUMMARY

- 2.1 This report summarises the reports and the discussion thereon on the agenda considered at the meeting of the Pension Committee on 6 December 2022.

DETAIL

- 3.1 Paragraphs 3.2 – 3.11 below provide summaries of the reports and discussion of items on the agenda considered at the meeting of the Pension Committee on 6 December 2022.

3.2 Urgent Business

Several members of the Committee raised concerns about access to various Committee papers. Democratic Services said they were experiencing staffing shortages and the Corporate Director of Resources agreed to look into the possibility of the Fund paying independently for these services.

3.3 Review of Breaches Log

One new entry had been added concerning the 2021/22 Fund Accounts and one item concerning the publication of minutes had been altered from amber to green

Members were assured by officers that the fact that there were now three years of final accounts outstanding was due to Council and national issues and that there were unlikely to be any significant issues in the draft accounts of the Fund. As such, the breaches had not been referred to The Pensions Regulator. In answer to a Member's query, officers advised that, at present, funds do not have an independent legal standing and are not able to publish final accounts independently of their associated Council.

In view of issues around the publication and distribution of Committee papers discussed under “Urgent Business” it was agreed that the move from amber to green be reversed.

The Committee noted the Report and it is to be found elsewhere on the Board’s agenda.

3.4 Croydon Pensions Administration Team Key Performance Indicators for the Period from August 2022 to October 2022

The Committee were generally complimentary about the performance of the Team and asked that their thanks be recorded, particularly in respect of the completion of the backlog project. Additionally they asked that a “marketing” campaign be carried out to encourage the use of the on-line enquiry service and welcomed the proposed introduction of national Key Performance Indicators.

The Report was noted and it is to be found elsewhere on the Board’s agenda.

3.5 Review of Risk Register

No amendments to the Register had been made and the Committee noted the Report.

3.6 Review of Committee Training

Officers reported that the response by Committee members and reserves to the National Knowledge Assessment conducted by Hymans Robertson was disappointing with almost half of those eligible not taking part. However officers will use the results from those members who did engage to inform training plans going forward.

The Committee noted the Report

3.7 Proposed Constitutional Changes – Updates from Previous Meeting

The Committee were asked to agree:

- amendments to voting rights as proposed at their previous meeting ie that voting rights be given to the staff side member, not to enfranchise the second pensioner member and that a new external employer representative voting role be created; and
- an annual allowance be paid to the members of the Pension Board and the Board Chair.

The Committee agreed both the recommendations.

3.8 Contracts for the Provision of Actuarial and Global Custody Services

The Committee noted the intention that new contracts for these services will be let via the “framework” process during the first half of 2003. Each of the frameworks includes all or most of the service providers known to be active in the UK market.

In respect of the individual service, officers specifically advised:

- Actuarial Services – perceptions in respect of actuarial assumptions will not be part of the tender evaluation process;
- Global Custody Services – reputation will form part of the tender evaluation process.

3.9 Local Government Pension Scheme Advisory Board / The Pensions Regulator Update

The Committee noted the contents of the report and were particularly interested in the impact on the Fund of the “Levelling Up” White Paper. In particular, they raised questions over the proposal that pension funds be required to invest 5% of their resources into projects supporting local areas and who would be responsible if such investments were not successful.

Officers and the Investment Adviser commented that individual funds would take responsibility for their investments. They further advised that the Croydon Fund is already relatively highly weighted in infrastructure assets and that the process would need to be carefully managed.

3.10 Progress Report for Quarter Ended 30 September 2022

In the report considered under Part A of the agenda the Committee noted a small decrease (1.2%) to £1,614m in the value of the Fund over the last quarter.

Officers and the Investment Adviser commented that the Fund was performing comparatively well and is close to being 100% funded.

3.11 Investment Strategy Review

Officers and the Investment Adviser advised that the Fund’s Investment Strategy must be formally reviewed every three years and that this will take place in the next quarter.

A half day training session will be offered to members of the Committee.

4. DATA PROTECTION IMPLICATIONS

4.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett – Acting Head of Pensions and Treasury.

BACKGROUND DOCUMENTS:

None.