

## **Pension Committee**

Meeting of held on Tuesday, 5 December 2017 at 10.00 am in Council Chamber - Town Hall

### **MINUTES**

**Present:** Councillor Andrew Pelling (Chair);  
Councillor Patricia Hay-Justice (Vice-Chair);  
Councillors Simon Hall, Maddie Henson and Yvette Hopley

**Apologies:** Councillor Dudley Mead and Wayne Trakas-Lawlor

### **PART A**

#### **1/17 Minutes of the Previous Meeting**

The minutes of the meeting held on 19 September 2017 were agreed as an accurate record.

#### **2/17 Disclosure of Interests**

There were none.

#### **3/17 Urgent Business (if any)**

There were no items of urgent business.

#### **4/17 Adoption of Risk Management Policy**

The Head of Pensions and Treasury introduced the report to the Committee and guided Members through the proposed policy.

The Committee **RESOLVED** to:

- 1.1 Adopt the Risk Management Policy
- 1.2 Direct the Executive Director of Resources (Section 151 Officer) to commission a review of the Fund's practices against the Pension Regulator's Code of Practice Number 14 - Governance and administration of public service pension schemes.

#### **5/17 Review of Risk Register**

The Head of Pensions and Treasury introduced the report and attention was drawn to areas categorised as “amber” risks.

Committee Members asked questions related to the ongoing risks of academies contributing towards the deficit. Reassurances were made regarding risks associated with the implementation of MIFD II. The considerable number of policy and governance documents were proffered as examples of mitigating against reputational and unforeseeable risks in the future.

The Committee **NOTED** the Pension Fund Risk Register.

#### 6/17 **Annual Report on the Progress of Asset Transfer to the London CIV**

The Head of Pensions and Treasury provided an update on the Fund’s asset transfer into the London CIV; it was noted that the equities investments in Legal and General were treated as pooled investments as well. Whilst there was still a way to go for the London CIV to provide the sub-funds necessary for the Croydon Pension Fund, progress was being made and over half of the Fund’s assets were now within the London CIV.

The Committee **NOTED** the contents of the report.

#### 7/17 **MIFID II Compliance Requirements**

The Head of Pensions and Treasury provided the Committee with an update on officers’ submissions as part of the MIFD II directive requirements. Members were assured that progress was going in the right direction and no immediate concerns had been identified.

Members discussed the need to provide an audit trail of training sessions completed and officers stated that most conferences and seminars were free of charge for Committee Members.

The Committee **NOTED** the contents of the report.

#### 8/17 **Forward Plan**

The Head of Pensions and Treasury introduced the proposed forward plan for the coming year, as part of the six-monthly review cycle for the Committee.

Some Committee Members reported on a meeting with Wellington and Wells Fargo they had attended. Some concern was expressed regarding the reputational damage to the Fund if it invested in Wells Fargo given the recent scandal that had been reported in its retail arm. It was noted that there was a

clear division between the retail section and the investment section of the company. Some Members expressed a preference to focus on what emerging market investments would be available through the London CIV. Officers stated that London CIV options acquired a higher cost than Wells Fargo and did not offer a guarantee of non-exposure to tobacco investments.

At 10.53am Councillor Hall left the meeting.

The Chair expressed the view that whilst there was strong guidance from the Committee to treat Wells Fargo with caution, this did not preclude closing the option down completely and all options should be considered with due scrutiny.

The Aon Hewitt advisor noted that emerging markets were performing strongly and it would be prudent to consider the options available in this area. Some London authorities had appointed managers in this area.

The Committee **NOTED** the contents of the report.

9/17 **Progress Report for Quarter Ended 30 September 2017**

The Head of Pensions and Treasury introduced the report and noted that the Fund was still overweight in equities due to their strong performance but steady progress was being made towards fulfilling the asset allocation strategy.

The Committee **NOTED** the contents of the report.

10/17 **Exclusion of the Press and Public**

The following motion was moved by Councillor Pelling and seconded by Councillor Henson to exclude the press and public:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

The motion was put and it was agreed by the Committee to exclude the press and public for the remainder of the meeting.

The meeting ended at 11.19 am

**Signed:**

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**Date:**

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