

## APPENDIX C

<b>REPORT TO:</b>	<b>LOCAL PENSION BOARD</b>  7 July 2016
<b>AGENDA ITEM:</b>	<b>9</b>
<b>SUBJECT:</b>	<b>Local Pension Board Annual Report</b>
<b>LEAD OFFICER:</b>	<b>Richard Simpson, Deputy Chief Executive and Section 151 Officer</b>
<b>LEAD MEMBER:</b>	<b>Councillor Pelling, Chair of Pension Committee</b>
<b>PERSON LEADING AT THE BOARD MEETING:</b>	<b>Nigel Cook, Head of Pensions and Treasury</b>

### 1. EXECUTIVE SUMMARY

- 1.1 This report is an overview of the Croydon Pension Board's first operational year (2015-16).

### 2. DETAIL

- 2.1 Local Pension Boards were established under the 2013 Pensions Act .Each pension administering authority is required to establish a Board to assist with the effective and efficient governance and administration of the scheme. The Board is also tasked with ensuring compliance with the various legislative requirements and those of the pension's regulator, and this adds to the already well developed governance structure which underpins the pension scheme.
- 2.2 Croydon Council established its Board on the 1st April 2015, and appointed an independent Chair. The Chair is also invited to attend the Pensions Committee meetings. This provides as useful link between the Pensions Committee and the Board. The link is further strengthened by the attendance at the Board of the Deputy Chief Executive and section 151 Officer, and other key officers.

**The Board members are:**

Michael Ellsmore (Chair)

**Employer Representatives:**

Councillor Mike Selva

Richard Elliott

Jolyon Roberts

Reserve Member Councillor Hamida Ali

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### **Employee Representatives:**

David Whickman,  
Nana Jackson-Ampaw  
Teresa Fritz

### **Terms of Reference**

Please see Appendix A

### **Training Undertaken**

Please see Appendix B

- 2.3 The first year has seen the Board developing its role. It actively reviewed the governance of the Pension Fund and agreed a number of recommendations which will be follow up in the coming months. Whilst the role has developed into something akin to a scrutiny function, the Board continues to provide assistance to the administering authority in effectively managing and operating the scheme.
- 2.4 The Board receives all Pension Committee agendas and reports and focusses on particular areas of interest. It has specifically looked at the following:
- Strategic asset allocation
  - Consultation on investment reform [pooling ]
  - A Governance review of the Pension Fund
- 2.5 Looking forward, 2016 /17 will be a year of great significance for the Local Government Pension Scheme (LGPS). The government has invited detailed submissions from schemes on how they will achieve combining their assets into a small number of pools with a value of in the region of £25 billion each. Whilst schemes will retain the all-important asset allocation decisions, the pooled funds will have a significant influence on the selection of managers. The Board will monitor Croydon's progress and the development of governance structures relating to the pooled funds.
- 2.6 Next year will also see the results of the triennial valuation. This determines the contribution rate that employers participating in the scheme will pay for the next 3 years.
- 2.7 The LGPS is becoming increasingly complex and 2016/17 will add to that complexity. The Board in developing its role will seek to assist and constructively challenge the administering authority in continuing to deliver effective management of the scheme.

## **3. RECOMMENDATIONS**

- 3.1 The Board are asked to note the contents of the report.

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**ATTACHMENTS:**

**Appendix A:** Terms of Reference

**Appendix B:** Training Log