

Pension Board

Meeting held on Thursday, 14 October 2021 at 2.00 pm in This meeting will be held remotely

MINUTES

- Present:** Michael Ellsmore (Chair);
Co-optees: Richard Elliot, Teresa Fritz, David Whickman
- Observer:** Councillor Kabir
- Also present:** Councillor Andrew Pelling, Chair of the Pension Committee
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:** Ava Payne

PART A

36/20 Minutes of the Previous Meeting

The Board was asked to note that the minutes of the meeting held on 21 July 2021 were in preparation and would be submitted to the next meeting for approval. The Chair requested that this issue be discussed under item 6 – Review of the Breaches Log.

37/20 Disclosure of Interests

Teresa Fritz stated that she had attended a trustee senate two-day event organised by Professional Pensions where accommodation and food was provided.

38/20 Urgent Business (if any)

The Chair confirmed that he had received notification that the Board wished to discuss the subscription to the Pension and Lifetime Savings Association (PLSA). It was agreed to hold the discussion after Review of the Risk Register.

39/20 GAD Review

The Pension Board considered a report which detailed a summary and updated the Board on the initial results provided by the Government Actuary's Department (GAD) under Section 13 of the Public Service Pensions Act 2013. The Board received an introduction from the Head of Pensions, Nigel Cook.

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

- The discount percentage used was 4% compared with 4.4% used in 2019.
- That the matter of the property transfer had not completely ceased but that the Pension Committee acknowledged that the situation had changed.
- The Pension Committee was grateful that the Board continued to monitor the situation and for its suggestion on how the Committee could improve Governance.

RESOLVED – That the Board agreed to note the report.

40/20 Review of Breaches Log

The Board considered a report which detailed that it was a requirement of the Pensions Regulator for the Pension Fund to maintain a breaches log detailing 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 the Head of Pensions, Nigel Cook.

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

- The failure to publish the accounts was a Council issue as the Pension Fund Accounts had been ready for some months but formed only part of the Council's accounts. It was agreed that officers would ask the auditors whether it was possible to have the Pension Fund Accounts reported separately.
- That not all breaches were reported as officers had criteria to follow. The criteria removed from the Breaches Log any breaches where steps had already been taken to resolve the issue.
- That the Pension Committee minutes had not been published for the last two meetings and Board minutes had not been published for the last meeting but that steps were being taken to resolve the backlog.

During the consideration of the recommendations, the Board discussed whether the Pensions Regulator should be notified of the administration breaches as the Board was expected to report on a timely basis. A greater concern was raised regarding the Pension Committee as two sets of minutes from previous meetings, remained unpublished.

RESOLVED – That the Chair of the Board write a joint letter with the Chairman of the Pension Committee to The Pension Regulator which outlined the administration breaches and the steps that were being taken to resolve these breaches.

41/20 Pension Fund Medium Term Business Plan 2021/24

The Board considered a report which presented to it, the Business Plan for the Fund for financial years 2021/22 to 2023/24, attached as Appendix A as agreed by the Pension Committee on 25 May 2021. The Board was asked to note the Plan and comment as it wished. The Board received an introduction from the Head of Pensions, Nigel Cook.

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

- The breakdown in active and deferred membership had reached a 50/50 split and the proportion of deferred members was likely to continue to increase with continued staff reductions. Officers were asked to provide details of new starters and deferred or frozen numbers.
- That the appointment of Board members to fill vacancies should be promoted to the education sector through the Schools Forum.
- The Pension Manager advised that the roll out of I-connect continued but that a large amount of data cleansing was required so it was being carried out in small batches. The Pension Manager agreed to add the specific timetable to the Report.
- The Head of Pensions advised that at present the budget relied on a certain amount of staff churn and time gaps in recruiting. The Head of Pensions agreed to include the full costs for a full complement of staff in future.

RESOLVED – That the Board agreed to note the report.

42/20 The Collective Investment Vehicle for London Local Authorities Pension Funds: Compliance with pooling requirements and review of savings

The Board considered a report which advised it of the extent to which the Fund was complying with the pooling requirements of Guidance issued by the, then, Department for Communities & Local Government in 2015 and of the savings made through pooling. The Board received an introduction from the Head of Pensions, Nigel Cook.

In response to queries raised by the Board, it was clarified that officers had been requested to arrange a training session of about 45 minutes for both Pension Committee and Pension Board members so that they could understand this issue better.

RESOLVED – That the Board agreed to note the report.

43/20 Data Quality Assessment

The Board considered a report which detailed the results of the quality assessment of common and scheme-specific data undertaken in August 2021. The Board received an introduction from the Pension Manager, Gillian Phillip.

In response to queries raised by the Board, it was clarified that officers had confirmed that most of the queries and missing data would be resolved once people/employees had retired. It was noted that Officers were confident that pension payments were accurate.

RESOLVED – That the Board agreed to note the report.

44/20 ESG Report

The Board considered a report which detailed a framework to ensure that the Croydon Pension Fund adopted an Environmental, Social and Governance policy that was appropriate and a set of goals that were achievable. The Board received an introduction from the Head of Pensions, Nigel Cook.

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

- The officers had been in discussion with Southwark Council regarding the work that it had undertaken in regards to managing its carbon footprint and the Board suggested that these continue in more depth.
- Teresa Fritz to send copies of the presentations from the senate event that she attended to the Head of Pensions as the presenters were keen to come and talk to Boards and Committees about this issue.

RESOLVED – That the Board agreed to note the report.

45/20 Forward Plan

The Board considered a report which set out a suggested work plan for the Board for the remainder of 2021/22 and invited suggestions for amendments or additions. The Board received an introduction from the Head of Pensions, Nigel Cook.

In response to queries raised by the Board, it was clarified that the Board had an additional meeting scheduled on 3 November to discuss the Governance Review.

During the consideration of the recommendations, the Board discussed whether asset transfer, conflict of interest, the McCloud case, the Pension Dashboard and Cyber Security should be added to the Forward Plan.

RESOLVED that the following items be added to the Forward Plan.

- Asset transfer and Pension Dashboard to be determined items.
- Governance, following consideration by the Board at its meeting to be held on 3 November, as a to be determined item.
- The administration report as a standing item.

46/20 Croydon Pensions Administration Team Key Performance Indicators for the Period 1 June 2021 to 31 August 2021

The Board considered a report which detailed Key Performance Indicators for the administration of the Local Government Pension Scheme (LGPS) for the three month period up to the end of August 2021. The Board received an introduction from the Pension Manager, Gillian Phillip.

In response to queries raised by the Board, it was clarified that officers had confirmed that the outstanding tasks at the end of August showed a slight fall and that as patterns in the queries had started to emerge, tasks should be resolved more quickly from now on.

RESOLVED – That the Board agreed to note the report.

47/20 Pension Board Annual Report

48/20 Local Government Pension Scheme Advisory Board / The Pensions Regulator Update

The Pension Board considered a report which advised the Board of the matters 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 the Head of Pensions, Nigel Cook.

RESOLVED – That the Board agreed to note the report.

49/20 Review of Risk Register

The Board considered a report which detailed that it was recommended, in line with best practice, that the Pension Committee maintain 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 Committee received an introduction from the Head of Pensions, Nigel Cook.

RESOLVED – That the Board agreed to note the report but requested that those risks shown as "green" be removed from the Register.

50/20 Subscription to the PLSA

Teresa Fritz had received confirmation from the PLSA that the Pension Fund had been given two years free membership but it appeared that this had not been acknowledged. It was noted that it was unlikely that free membership would be offered for a third year.

RESOLVED – That the Board requested that the Head of Pensions contacted James Walsh at PLSA to acknowledge receipt of the free membership granted.

51/20 Exclusion of the Press and Public

This was not required.

The meeting ended at 3.41pm

Signed:

Date:

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