

Pension Committee

Meeting held on Tuesday, 12 March 2019 at 10.00 am in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Andrew Pelling (Chair);
Councillor Simon Hall (Vice-Chair);
Councillors Patricia Hay-Justice, Clive Fraser, Robert Canning, Simon Brew
and Yvette Hopley

Co-opted Members: Gilli Driver, Peter Howard and Charles Quaye

Also Present: Nigel Cook (Head of Pensions and Treasury), Lisa Taylor (Director of Finance,
Investment and Risk (S151 Officer), Matthew Hallett (Pension Fund Investment
Manager) and Michael Ellsmore (Chair, Pension Board)

Apologies Councillor Luke Clancy

PART A

1/19 Minutes of the Previous Meeting

The minutes of the meeting held on 4 December 2018 were agreed as an accurate record.

2/19 Disclosure of Interests

There were no disclosures of interests.

3/19 Urgent Business (if any)

Discussion of urgent business was taken in Part B of the agenda.

4/19 Update presentation: London CIV

The Committee received a presentation on recent developments at the London CIV from Kevin Cullen, London CIV Client Relations Director.

This presentation covered:

- I. Governance arrangements,
- II. The appointment of a new Chief Operating Officer and the recruitment of a new Chief Investment Officer; and
- III. The launch of new product lines.

Committee Members asked questions regarding:

- I. The extent to which the CIV would develop its own in-house expertise for different asset classes;
- II. The performance of the Global Bond fund;
- III. Any money savings for the Croydon Pension Fund in participating in the London CIV; and
- IV. Background information on the timeliness of recent money transfers to the London CIV.

RESOLVED: Committee Members noted the update provided by the London CIV and thanked Mr. Cullen for his presentation and for answering questions.

5/19 Update presentation: M&G

The Committee received an update presentation from Lucy Williams, Director of Institutional Business UK and Europe, M&G. This provided an overview of M&G's Residential Property Fund and its investment strategy.

Committee Members asked questions regarding the fund including:

- I. Clarification on the longevity of properties;
- II. Clarification on the liquidity of the fund;
- III. The risks caused by factors such as planning requirements and political risk with M&G undertaking to provide written material on political risk modelling;
- IV. The disposal of properties;
- V. The structure of the organisation;
- VI. The location of future developments; and
- VII. The environmental ratings of properties being developed.

RESOLVED: Committee Members:

- I. Noted the contents of the presentation and thanked Lucy Williams for her presentation and for answering questions; and
- II. Resolved to take up the invitation to visit an M&G property asset.

6/19 Currency hedging

Peter Gent, FIA, Mercer Ltd, provided Members with an overview of the issues to be considered when deciding whether or not to implement currency hedging for the equity investment part of the Pension Fund portfolio ex emerging markets. Members asked questions to provide for their best understanding of options, risks, costs, value and appropriate levels of hedging exposure and timing.

RESOLVED: the Members of the Committee resolved to approve the recommendations in the report:

1. To note the report on currency hedging commissioned from Mercer; and

2. To delegate to the Chief Financial Officer, in consultation with the Committee's Chair and the Cabinet Member for Finance and Resources, the decision whether and when to implement a currency hedge.

7/19 Audit Plan for the Local Government Pension Fund

RESOLVED: the Committee resolved to note the audit plan from Grant Thornton.

8/19 Progress report (Q3)

RESOLVED: the Members of the Committee resolved to agree the recommendations in the report:

1. To note the performance of the fund for the quarter; and
2. To delegate fund investment decisions to the Chief Finance Officer in consultation with the Chair of the Pension Committee and the Cabinet Member for Finance and Resources.

9/19 Risk register review

RESOLVED: the Members of the Committee resolved to note the report.

10/19 Key Performance Indicators for the Local Government Pension Scheme

There was not sufficient time for this item to be considered at the meeting and therefore it was deferred for consideration at the Committee meeting in May 2019.

11/19 Forward Plan

There was not sufficient time for this item to be considered at the meeting and therefore it was deferred for consideration at the Committee meeting in May 2019.

12/19 Consultation: draft statutory guidance on pooling assets

There was not sufficient time for this item to be considered at the meeting. Given the deadline for the consultation was before the next Committee meeting, it was agreed that Members would be kept informed by email regarding the consultation response.

13/19 Review: training support for the Pensions Committee

There was not sufficient time for this item to be considered at the meeting and therefore it was deferred for consideration at the Committee meeting in May 2019.

14/19 Exclusion of the Press and Public

The following motion was moved by Councillor Pelling and seconded by Peter Howard 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.

15/19 Progress report (Q3)

The Committee's resolution is recorded in agenda item 8.

The meeting ended at 1.40 pm

Signed:

Date:

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