

# Croydon Council

<b>REPORT TO:</b>	<b>Local Pension Board 17 October 2019</b>
<b>SUBJECT:</b>	<b>Governance Review London Borough of Croydon Pension Fund – Aon Hewitt</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>

## 1. RECOMMENDATION

- 1.1 The Board is invited to note the Governance Review which is appended to this report.
- 1.2 Note that an Action plan to deliver the findings of the report will be developed and presented to the Pensions Committee in December 2019 and this Board in January 2020.

## 2. EXECUTIVE SUMMARY

- 2.1 This report informs the Pension Board that the review of the Governance arrangements for the Croydon Local Government Pension Scheme Pension Fund has been completed and that report is appended. An action plan is being prepared for submission to the Committee and Board.

## 3. DETAIL

- 3.1 At their first meeting on 2 July 2015 the Board agreed that a priority item for future meetings should be a review of the Governance arrangements for the management of the Council's Pension Fund. A review was commissioned from Aon Hewitt Ltd via the National LGPS Framework. It was carried out in early 2016 and the results were reported to the Board on 21 April 2016. The Board referred the Review to the Pension Committee who considered it on 7 June 2016.

*The Committee **RESOLVED** to:*

*1.1 Note the contents of the Governance review.*

*1.2 Note the progress against achieving the goals set out in the action plan.*

*1.3 Request that further progress against this action plan be reported to the Committee in six months.*

*(Minute A42/16 refers.)*

- 3.2 The Pension Board have discussed the progress towards meeting the recommendations of the review twice since, (1 December, 2016 minute A41/16 and 11 January, 2018 minute 4/17) and in turn the Pensions Committee have been briefed on this work: 7 March, 2017 and 13 March 2018 (minutes A9/17 and 20/18

respectively, refer).

3.3 In the summer of 2018 Aon Hewitt were commissioned to carry out a further review addressing the following issues:

- Look at the recommendations (reds and ambers) from the 2016 report and assess the Fund's progress against these, using the same methodology as the previous review.
- Where there have been any new policies produced or an existing policy updated, to conduct a full assessment of that policy, without necessarily revisiting any area that had previously been highlighted as satisfactory.
- Consider the governance arrangements in relation to the evolution to asset pooling through the London CIV. This would cover areas such as:
  - Is the reporting in relation to the Fund evolving effectively and does it provide the necessary information?
  - Does the risk management reflect the move to the London CIV?
  - Has the administering authority's governance structure been updated as necessary and
  - How effective is the process for making decisions relating to the CIV?
- A comparison with the results of the 2016 exercise. This would involve the completion of effectiveness questionnaires so that there can be a meaningful comparison with the results from last time; the reach of this exercise would include the officers, Committee and Board.

3.4 The resulting report is appended (Appendix A) for the Board to note. An Action Plan is being developed and will be presented to this Board early next year.

## **4 DATA PROTECTION IMPLICATIONS**

4.1 Will the subject of the Report involve the processing of "personal data?"

No

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### **CONTACT OFFICER:**

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### **BACKGROUND DOCUMENTS:**

None.

### **Appendices**

Appendix A: Governance Review, London Borough of Croydon Pension Fund, AON, 20 September, 2019.