

REPORT TO:	Pension Committee 18 September 2018
SUBJECT:	Croydon Local Pensions Board Annual Report
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: This report relates to the work of the Pensions Board in assisting in the management of the Croydon Local Government Pension Scheme.	
FINANCIAL SUMMARY: There are no direct financial implications associated with this report.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1. RECOMMENDATIONS

- 1.1 The Committee is invited to note the Annual Report prepared by the Chair of the Croydon Local Pensions Board. This is attached as Appendix A to this report.

2. EXECUTIVE SUMMARY

- 2.1 This report asks the Committee to note the Croydon Local Pension Board Annual Report (Appendix A).

3 DETAIL

- 3.1 The Annual Report for the Croydon Local Pensions Board, drafted by the Board's Chair, sets out the work undertaken by the Board for the year 2017 to 2018. The Pensions Committee is invited to note this report.

4 FINANCIAL CONSIDERATIONS

- 4.1 There are no further financial considerations flowing from this report.

5. OTHER CONSIDERATIONS

- 5.1 Other than the considerations referred to above, there are no customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

6. COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 6.1 The Solicitor to the Council comments that there are no legal considerations arising from the recommendations within this report.

Approved by: Jessica Stockton, Corporate Solicitor, for and on behalf of Jacqueline Harris-Baker, Director of Law and Monitoring Officer

CONTACT OFFICER: Nigel Cook, Head of Pensions Investment and Treasury, Resources department, ext. 62552.

APPENDICES: Appendix A: Croydon Local Pension Board Annual Report.

Pension Board 2017/2018 Annual Report

Introduction

Local Pension Boards were established under the 2013 Pensions Act. Each Local Government Pension Scheme 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 assisting the Committee in ensuring compliance with legislative requirements and those of the Pension Regulator. The Board has an oversight role, with the decision making body remaining the Pension Committee.

Membership

The Board consists of 6 voting members comprising 3 member representatives and 3 employer representatives and an independent chair. During 2017/2018 the following persons held these posts:

Chair: Michael Ellsmore

Employer Representatives: Councillor Maggie Mansell
Keith Oxspring (Croydon College, resigned 11 April 2018)
Richard Elliott (the Brit School for Performing Arts and Technology)

Member Representatives: Teresa Fritz
Ava Watt (Union representative)
David Whickman (Union representative)

The Board is supported by the Executive Director for Resources and S151 Officer, Richard Simpson, and the Head of Pensions and Treasury, Nigel Cook and the team.

Activity during 2017/2018

This report covers the third year of the operation of the Local Pension Board. The Board has continued to establish itself as part of the Croydon Council governance structure in relation to the Pension Fund. Board members take their responsibilities seriously and readily engage in the training programme in order to develop their skills and knowledge.

The Board's core function is to provide an oversight of the governance and administration of the Fund. A key task in fulfilling the Board's core function was the commissioning of a governance review during our first year. The Board has continued to monitor the review's action plan and are pleased with the progress made. The Board also reviewed and monitored the following:

- The Pension Committee's forward plan which, in turn, informed the business plan for the Board.
- A number of key policy documents, including: the Governance Policy; Compliance Statement; Conflicts of Interest Policy; Reporting Breaches in the Law Policy; and the Code of Transparency.

- The establishment and development of the London CIV.
- The adoption of the Markets in Financial Instruments Directive II.
- The introduction of the General Data Protection Regulations (GDPR).
- Scrutiny and monitoring of Pension Scheme administration key performance indicators.
- Review of the Pensions Scheme Risk Register.
- The agenda papers of the Pensions Committee.

Looking Ahead

The Board is conscious that the Council will be organising training initiatives to respond to changes in the membership of Pension Committee which have arisen in the new municipal year following on from the May Local Elections and will seek to benefit from them. It has also requested training on specific matters, such as tax issues and cost transparency, which will be provided in the next few months.

One measure of the success of the Board has been the developing dialogue between the Board and Committee, which has resulted in the commissioning of a follow up review of governance arrangements and compliance with the Pensions Regulator's guidance for good practice.

Pensions administration is likely to attract increased attention from the Pensions Regulator throughout the Local Government Pension Scheme. The Board will therefore continue to monitor closely the performance and resources of the pension administration team. The near future will also see attention from the Government's Actuary Department on comparative valuation and more work on the reporting of costs; these fall within the remit of the Board and will feature on its business plan.

With a resignation from the Board and a turnover of union representatives the Board will need to look at training and the application of the Knowledge and Skills Framework

Finally, 2018/2019 will see further transfers of assets to the London CIV and developments in its governance arrangements and the Board will continue to monitor and support the Council as these developments unfurl.

There is also a growing interest in the cost transparency of asset managers' fees and other management charges and the Board will be interested to see how this develops and will follow closely the work of CIPFA and the Scheme Advisory Board. We will continue to monitor progress against the Governance Review's action plan.