

Croydon Council

For General Release

REPORT TO:	PENSION COMMITTEE 8 December 2020
SUBJECT:	Pension Fund Governance Review – Action Plan Progress
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury
CABINET MEMBER:	Councillor Callton Young OBE Cabinet Member for Resources & Financial Governance
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund.	
FINANCIAL IMPACT There are no financial implications associated with this report.	

1. RECOMMENDATIONS

The Committee are invited to comment on and note progress in respect of the Governance action plan

2. EXECUTIVE SUMMARY

- 2.1 An update was given to the Pension Board in their meeting on 15 October 2020. This report advises the Committee of the progress made in the Implementation of the Action Plan arising from the Aon Hewitt Governance Review of the Pension Fund. It invites them to comment as they see fit and note the progress.

3. DETAIL

- 3.1 At its meeting on 17 October 2019 the Board were asked to note the review of the Fund's governance arrangements prepared by Aon Hewitt. They were also asked to note that an action plan to deliver the findings would be developed and presented to the Pension Committee in December 2019, and subsequently, to

the Board.

- 3.2 The Board agreed:
To fully endorse the findings of the Governance Review and to invite the Pension Committee to develop and, importantly, fully resource an action plan to comply with the Regulator's Code of Practice..
- 3.3 A draft action plan was considered by the Committee on 11 February and they came to the following decision:
- 3.4 **RESOLVED:** *The Committee resolved to AGREE the report with the following revisions/additions:*
- 1. An update on the implementation of the action plan will be provided Pension Committee every 12 months;*
 - 2. The Pension Committee will receive an item on conflicts of interests within 12 months of the meeting;*
 - 3. The need to follow/implement the decisions of the Pension Committee was reasserted; and*
 - 4. An item to give consideration to representation and voting rights would be added to the Pension Committee's work programme.*
- 3.5 Developments and progress since the Plan was agreed are included In Appendix A.

4. CONSULTATION

- 4.1 No consultation is required.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 There are no financial considerations arising from this report.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk, S. 151 Officer.

6. LEGAL CONSIDERATIONS

The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Pension Committees role is to ensure the Fund is properly operated in accordance with the Local Government Pensions Scheme Regulations ("the Regulations") all other relevant legislation and best practice as advised by the Pensions Regulator, including financial, governance and

administrative matters. To adopt Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund. The Pension Committees Terms of Reference (London Borough of Croydon's Constitution Part 4.N) includes at paragraph 2.3 that it shall: ***Discharge its fiduciary responsibility in the best interest of the Fund, in particular:***

- a. *To set the investment policy and review the performance of the Fund's investment managers, pooling arrangements, scheme administration, and external advisors;*
- b. *To make arrangements for the triennial actuarial valuation;*
- c. *To determine the Pension Administration Strategy;*
- d. *To approve and monitor compliance of statutory statements and policies required under the Regulations;*
- e. *To approve the Fund's Statements of Accounts and annual report;*
- f. *To ensure that the Council discharges its obligation, as administrating authority for the local government pension scheme, to other scheme employers;*

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct workforce implications arising from the recommendations within this report but the improvement to practice is welcomed as the pension scheme is a key employee benefit to employees.

Approved by: Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 There are no equalities impacts arising from this report.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts arising from this report.

11. DATA PROTECTION IMPLICATIONS

- 11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

The Director of Human Resources comments that this report contains only information which can be publically disclosed.

Approved by: Sue Moorman, Director of Human Resources

CONTACT OFFICER: Nigel Cook – Head of Pensions and Treasury ext. 62552

BACKGROUND DOCUMENTS: None

APPENDICES: Appendix A, Governance Action Plan update