

# Public Document Pack

## Pension Board

Meeting held on Thursday, 11 April 2024 at 2.00 pm in Council Chamber, Town Hall,  
Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Michael Ellsmore (Chair);

Co-optees: Teresa Fritz (Employee Representative)(Online), Richard Elliott (Employer Representative), Ava Payne (Online) and David Whickman (Employee Representative)

Councillor Margaret Bird

#### Also

**Present:** Ian Talbot, Gillian Philip, Matthew Hallett

**Apologies:** Jane West

### PART A

#### 101/24 Minutes of the Previous Meeting

The minutes of the meeting held on Wednesday, 17 January 2024 were agreed as an accurate record

#### 102/24 Disclosure of Interests

There were none.

#### 103/24 Urgent Business (if any)

There were no items of urgent business.

#### 104/24 Pension Fund Medium Term Business Plan 2024/27

The Pension Fund Investment Manager introduced the report and explained that the report was relevant to the Board and Committee and covers information about the investment duties of the Fund. He stated that the report was yet to be presented to the Committee.

The Pension Fund Investment Manager explained that the government had issued a statement which outlined the desire for pension funds to move their investments into their local pools by the 31 March 2025, which would be a difficult deadline for the Fund to meet.

The Pension Fund Investment Manager stated that the Fund was committed to having and implementing a good training policy. The Pension Fund Investment Manager explained that the Fund had around 15 fund managers which was considered a lot for a fund of this size, and the Fund had various investments in the key areas specified in the governments statement, namely 5% in levelling up in the UK and 10% in private equity; the Fund was close to achieving these figures and had been committed to this strategy for a long time.

The Pension Fund Investment Manager informed the Board that there would be a governance review conducted by AON in the year 2024/25.

The Pension Fund Investment Manager stated that the Fund was approaching £2 billion and was over 100% funded.

The Pension Fund Investment Manager explained that officers believed the Fund would remain in surplus for several years and would not become a mature Fund due to the fund's investment policies, which would allow the Fund to have a net income over the period of 2024-27. The Pension Fund Investment Manager informed the Board that the Scheme Advisory Board (SAB) good governance review and the new pension regulators code of good practice would provide officers with direction on how to manage the Fund.

In response to a question from a member, officers informed the Board that:

- It had been recognised if a fund possessed relatively illiquid investments such as private equity and socially responsible funds, then it would be more difficult to take money out of those types of assets and transfer them to another fund. It had also been recognised that this action would not be in the Fund's best interest and officers believed they would be given the opportunity to explain these difficulties to the government.
- The Fund intended to move all their listed assets into pool as they were significantly easier to transfer than the illiquid assets, however, officers would need to be careful with the cost of transition. The London CIV pool did not have the capability of accepting the Fund's private equity assets as there were no private equity investments in the pool. Officers believe that this was the reason that they would not be able to fully transfer the Fund's assets to the pool by the 31 March 2025.
- Officers may be able to transfer the Fund's property investments into the London CIV without selling those investments.
- The TPR Code would be covered as part of the governance review, and once officers had established the Fund's compliance with the TPR code then they would present a report to the Board detailing their findings.
- Matthew Hallett was the Acting Head of Pensions and Treasury; the Pensions Accountant post had been covered by a contractor on a temporary basis; the Pension Investment Manager role had been covered by Ian talbot. Once a permanent Head of Pensions and Treasury had been appointed, there would be a slight restructure.

There was an appropriate number of posts and there was enough of a budget to appoint to all the required positions, however, officers needed to ensure that the job descriptions for each post were correct.

- The structure would be addressed once the Head of Pension and Treasury was appointed. Appointments of members to the committee was raised at the last committee meeting and will be ready for the committee meeting in June 2024.

The Board asked officers to review the June 2024 deadline that they had set for the EDI policy statement to be drafted.

**RESOLVED:**

- To agree to the recommended Medium Term Business Plan 2024/27.

**105/24 Croydon Pensions Administration Team Key Performance Indicators for the Period December 2023 to February 2024**

The Pension Manager introduced the report and explained that the report detailed the Pension Administration teams Key Performance Indicators (KPI's) against legal and internal Corydon limits.

The Pension Manager informed the Board that they had seen consistent results across all areas except for with leavers. Officers spent the beginning of the year trying to improve the leaver situation and had made some progress however there had been a slight delay as officers were waiting for a system development to be introduced in May.

The Pensions Manager stated that the Pension Administration team had communicated with employers regarding date for end of year processes and had already received some responses ahead of the deadline. The Pensions Manager explained that the Pension administration team were completely in control of their monthly data mortality screening and were averaging 2-4 deaths per month which they would usually have been unaware of.

The Pensions Manager informed the Board that the Pension Administration team would be working with their software provider to deal with the pension dashboard. The Pensions Manager explained that officers had worked with Heywood Pension Technologies on address tracing, to ensure that their data was up to date. The new member self-service system was ready, and the contract and officers were waiting for legal to sign off on the contract, but they hoped to have the system in place by the autumn. The Pension Manager stated that officers expected to receive huge volumes of interest once the pension dashboard went live.

In response to questions from members, officers informed the Board that:

- The number of leavers had slightly increased but there had always been a high turnover of staff with employers, particularly within schools.

The lack of auto aggregation had hampered the team's ability to process leavers swiftly, as when a person left a school they would usually join another school and the administration team had to process this manually which slowed progress.

- The administration team had completed all their tracing.

The Chair asked officers to bring their action plan back to the next Pension Board meeting.

**RESOLVED:**

- To note the contents of the report and comment as appropriate.

**106/24 The Pensions Regulator's New General Code Update**

The Acting Head of Pensions and Treasury introduced the report and explained that The Pension Regulators new general code came into effect on the 27 March 2024. The Acting Head of Pensions and Treasury stated that the new general code was mainly comprised of the old general code with some new elements introduced. The Acting Head of Pensions and Treasury informed the Board that officers had decided to use AON's compliance checker to assess the funds compliance with the new code, officer would then present a report which detailed their findings to the Board.

**RESOLVED:**

To note and comment on the contents of this report.

**107/24 Pension Committee Training Update**

The Acting Head of Pensions and Treasury introduced the report and explained that the joint Pension Board and Committee training plan was presented at the last Pension Committee meeting and had been agreed by Members. The Acting Head of Pensions and Treasury informed the Board that officers intended to schedule a training session before each Pension Board and Pension Committee meeting next municipal year. The Acting Head of Pensions and Treasury encouraged Members to make an effort to complete the training on the Hymans online portal by the end of the year.

In response to a question from members, officers informed the Board that:

- The Equality, Diversity, and Inclusion (EDI) training had been recorded and the presentation slides would be circulated to Members.

**RESOLVED:**

- To review the training log to ensure it is an accurate record of training undertaken.
- To advise Officers to update the log for any training not recorded.

## **108/24 Review of Breaches of the Law**

The Acting Head of Pensions and Treasury introduced the report and explained that there were no new breaches to report. The Acting Head of Pensions and Treasury informed the Board that the accounts had been presented to the Audit and Governance Committee on the 14 March 2024, and the accounts were agreed to be signed off. The Acting Head of Pensions and Treasury stated that there was not another meeting between the officers and the auditors for the accounts to be formally signed off before the end of April. The Acting Head of Pensions and Treasury explained that he had been contacted by the auditors to begin the audit for the 2023/24 accounts. The Acting Head of Pensions and Treasury informed the Board that there was a national catch up exercise for the audit of the accounts for all local authorities, there were over 700 opinions outstanding as of 31 December 2023. The Acting Head of Pensions and Treasury explained that there was a consultation that had been released in February which stated that all accounts up to 2022/23 to be agreed by the 30 September.

### **RESOLVED:**

- To review and note the contents of the Pension Fund Breaches of the Law Log.

## **109/24 Croydon Council Pension Fund Data Retention and GDPR**

The Pension Manager introduced the report and explained that they presented an updated GDPR and privacy statement to the Committee and Members were happy with the updates. The Pension Manager stated that officers had used the Local Government Associations (LGA) template for the updated GDPR and privacy statement and the Councils internal GDPR team were satisfied with the changes; the updated GDPR and privacy statement was now published on the Council's website.

In response to question from members, officers informed the Board that:

- The 15-year deadline came into effect as a result of Mc Cloud, officers were aware that many of the employers held data for 7 - 8 years. In cases where a school had become an academy, there was some uncertainty over who should hold the data, HR had stated that there was a requirement to transfer data that was correct at the point of transfer but a lot of data was not held on the payroll system which led to issues with reporting data. Officers would focus on the quality of the data that they received monthly and the data that they received at the end of the year to mitigate this issue.

### **RESOLVED:**

- To note the contents of the report.

**110/24 Local Government Pension Scheme Advisory Board/The Pensions Regulator Update**

The Acting Head of Pensions and Treasury introduced the report and explained that the Local Government Pension Scheme (LGPS) gender pension gap had been looked at by the Scheme Advisory Board (SAB) and the SAB had produced a report on the topic.

In response to questions from members, officers informed the Board that:

- Communication between officers and members would play an important part to mitigate the gender pension gap issue but the main responsibility sat with the employers.

**RESOLVED:**

- To note the contents of this report.

**111/24 Exclusion of the Press and Public**

**RESOLVED** that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act: and (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**112/24 Part B - Cyber Security Update**

**RESOLVED** that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act: and (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

The meeting ended at 3.06 pm

**Signed:**

**Date:**

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