

Report for: Pensions Committee and Board 23 July 2018

Title: Governance Report

Report authorised by: Jon Warlow, Director of Finance (S151 Officer)

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

- 1.1. The purpose of the paper is provide an update to Committee and Board:
- on the London Collective Investment Vehicle (CIV) governance structure
 - on the terms of appointments to the Pensions Committee and Board

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. The Committee and Board should note the London CIV governance structure updates.
- 3.2. That the Committee and Board discuss the appointment terms for the Pensions Committee and Board to agree further steps on this matter.

4. Reason for Decision

- 4.1. None.

5. Other options considered

- 5.1. None

6. Background information

London CIV Governance Structure Update

- 6.1. The London CIV commissioned a governance review which took place during the autumn of 2017. This was undertaken by Willis Towers Watson and was circulated to the Pensions Committee and Board earlier in 2018. In response to this, the CIV has launched a consultation which funds responded to, this consultation in part dealt with the governance structure of the CIV.

6.2. Haringey, along with the other London Boroughs is a shareholder of the CIV. The previous shareholder representative body for the CIV was the Pensions CIV Sectoral Joint Committee (PSJC), which met quarterly, and was attended by the Chairs or Vice Chairs of the 32 London Borough Funds and the City of London. In March 2018, the PSJC voted for this body to be dissolved in line with the recommendations from the governance review work. In accordance with London Councils' Governing Agreement, under which the PSJC was established, this will require all the participating London local authorities to give written notice to London Councils that they have agreed to revoke the delegation of the discharge of the relevant functions to the sectoral joint committee. All Borough pensions Chairs, S151 Officers and Chief Executives were written to on 13 June 2018 to this end.

6.3. The new governance structure will function as follows:

General Meetings

6.4. All of the boroughs will meet twice annually in their capacity as shareholders of the CIV. These meetings will be in July (to approve the accounts), and in January (to approve the Medium Term Financial Strategy). Shareholders will also vote on such matters as appointments to the CIV Board of Directors. These meetings will continue to be attended by either the Chair or Vice Chair of Haringey Pensions Committee and Board.

Shareholder Committee

6.5. Quarterly meetings will be held in a consultative capacity only, with 12 Shareholders represented: 4 S151 Officers, and 8 Pension Chairs. The aim of this meeting will be to promote effective dialogue between the boroughs and the CIV. Formal decision making will remain with the Board of the CIV and the General Meetings.

6.6. The S151 Officers will be appointed by the Society of London Treasurers, (a body of all S151 Officers in London). The 8 Pensions Chairs will be appointed via the collective political processes of the London Councils, providing political, geographical and gender diversity. This is similar to the appointments process for other external bodies such as the Lee Valley Regional Park Authority.

6.7. At the General Meeting in July 2018, the appointments to the Shareholder Committee will be agreed. As the Shareholder Committee consists of only 12 members, not all boroughs will not be represented upon this body, and Haringey will not be represented initially, although this could change from year to year. Those boroughs who do not have a S151 Officer, or a Chair present at the Shareholder Meetings will have to work with those boroughs who do, to ensure their interests are represented in this forum.

Terms of Appointment

6.8. Haringey Pensions Committee and Board has discussed the matter of terms of appointment on several occasions over the past year. Appended to this report is

a letter (confidential appendix 1) sent on behalf of the committee in April 2018 to both party whips.

- 6.9. The letter requested that both political groups gave due consideration to cementing the expectation that appointments to the Pensions Committee and Board would be a longer than one year commitment, and preferably a four year commitment (in line with the local elections cycle). This received positive affirmation in response from one of the groups, the other did not respond.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. There are no direct financial implications arising from this report.

Legal Services Comments

- 8.2. The Assistant Director of Governance has been consulted on the content of this report. Members should note the CIV shareholder meetings referred to in paragraphs 6.5 and 6.6. Those meetings will be consultative in nature only and only 12 shareholders will be represented at such meetings.

Equalities

- 8.3. None applicable.

9. Use of Appendices

- 9.1. Appendix 1: Letter on behalf of Haringey Pensions Committee and Board

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.