

Pensions CIV Sectoral Joint Committee (PSJC)

21 July 2015

Minutes of a meeting of the Pensions CIV Sectoral Joint Committee held on Tuesday 21 July 2015 at 10:30am in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

City of London	Mark Boleat (Chair)
Barking and Dagenham	-
Barnet	Cllr Mark Shooter
Bexley	Cllr John Waters
Brent	Cllr George Crane
Camden	Cllr Rishi Madlani
Croydon	-
Ealing	Cllr Yvonne Johnson
Enfield	Cllr Toby Simon
Greenwich	-
Hackney	Cllr Roger Chapman
Hammersmith and Fulham	Cllr Iain Cassidy
Haringey	-
Harrow	Cllr Bharat Thakker (Deputy)
Hounslow	Cllr Mukesh Malhotra
Islington	Cllr Richard Greening
Kensington and Chelsea	-
Kingston Upon Thames	-
Lambeth	Cllr Adrian Garden
Lewisham	Cllr Mark Ingleby
Merton	-
Newham	-
Redbridge	Cllr Ross Hatfull (Deputy)
Richmond Upon Thames	Cllr Thomas O'Malley
Southwark	Cllr Fiona Colley
Sutton	Cllr Sunita Gorden
Tower Hamlets	-
Waltham Forest	-
Wandsworth	Cllr Maurice Heaster
City of Westminster	-

Apologies:

Greenwich	Cllr Don Austen
Harrow	Cllr Adam Swersky
Kingston	Cllr Eric Humphrey
Kensington & Chelsea	Cllr Quentin Marshall
Newham	Cllr Forhad Hussain
Redbridge	Cllr Elaine Norman
Westminster	Cllr Suhail Rahuja

Officers of London Councils were in attendance as was Mr Chris Buss (Chair of the Technical Sub-Group).

1. Announcement of Deputies

- 1.1. Apologies for absence and deputies were listed above.

2. Declarations of Interest

- 2.1. There were no declarations of interest that were of relevance to this meeting.

3. Minutes of the PSJC Meeting held on 27 May 2015

- 3.1. The minutes of the PSJC meeting held on 27 May 2015 were agreed as an accurate record.

4. Programme Overview and Risk Register

- 4.1. The CEO introduced the report that provided members with an update on progress against the overall implementation programme plan and the high level programme risk register.
- 4.2. The CEO confirmed that the submission of the Operator Regulatory Application to the FCA went in two weeks later than originally scheduled. This had a knock-on effect on the business plan and a number of items had shifted down the plan as a consequence. The revised timetable was deliverable.
- 4.3. Councillor Heaster voiced concern that London Councils had still not been able to issued invoices to the boroughs for the 2015/16 tranche of £25,000. The CEO said that a number of discussions had taken place on this matter and a specification had now gone out for an external company to provide finance and accounting services which, once implemented, would facilitate the issuing of the relevant invoices.
- 4.4. The CEO said that he was confident in being able to deliver the revised timetable, bar any unforeseen issues that might arise in the future. He confirmed that there were no cost implications caused by the delay to the project.
- 4.5. The CEO emphasised the importance in taking the time to get the CIV right. The Chair felt that the original timetable was probably over ambitious in the first place
- 4.6. The CEO informed members that there were three changes to the risk register:
 - i. a reduced risk level to risk number 6 regarding Government action – a meeting had taken place with officers at the DCLG and the Treasury, who were positive about the CIV;
 - ii. The addition of new risk 7 – ‘Not delivering savings’;
 - iii. The addition of new risk 8 – ‘Unexpected costs’.
- 4.7. Councillor Greening said that there would be a number of boroughs that would not achieve any savings initially, and this needed to be reflected in the description of risk 7. The CEO undertook to make the necessary amendments.

4.8. The Chair noted that savings would be forthcoming to all boroughs once the CIV was up and running

4.9. **The Committee:**

- Noted the contents of the report, and
- Noted that the CEO would amend risk 7 as necessary

5. Regulatory Capital Requirements

5.1. The CEO introduced the report that informed members of the requirement for the operator of the ACS to have a sufficient level of regulatory capital (ie “own funds”) in place at all times.

5.2. Councillor Johnson said that option 3 – “leave RC as the responsibility of the boroughs to cover as the owners of the company”, would be the preferred choice. Councillor Heaster said that he also supported this option.

5.3. The CEO noted that the regulatory capital would be invested to generate a return which would become part of the company’s surplus.

5.4. **The Committee:**

- Considered the issues raised in the report
- Agreed to the proposals outlined in paragraph 16 of the report, and
- Agreed that option 3 – “leave RC as the responsibility of the boroughs to cover as the owners of the company” would be the preferred approach.

6. Constitutional Matters

6.1. The CEO said that the process was underway to procure an internal auditor for the company, and external auditor and one for the fund. London Councils would also be procuring a new auditor.

6.2. **The Committee** agreed to the proposed amendments to London Councils’ Standing Orders, as detailed in Appendix 1 of the report.

The meeting finished at 12.10pm