



HILLINGDON
LONDON



Pensions Board

Date: TUESDAY, 10 JANUARY
2017

Time: 5.00 PM

Venue: COMMITTEE ROOM 3 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE UB8
1UW

**Meeting
Details:** Members of the public and
Press are welcome to attend
The meeting

Councillors on the Committee

David Simmonds (Chairman)
Alan Chapman (Vice-Chairman)
John Morse

Employee Representatives

Roger Hackett
Venetia Rogers
Andrew Scott

Published: 29 December 2016

Contact: Khalid Ahmed
Tel: 01895250833
Email: kahmed@hillington.gov.uk

This Agenda is available online at:

<http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=356&MId=2588&Ver=4>

Putting our residents first

Lloyd White
Head of Democratic Services
London Borough of Hillingdon,
3E/05, Civic Centre, High Street, Uxbridge, UB8 1UW
www.hillingdon.gov.uk

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The terms of Reference of the Pensions Board is as follows:

1. The Pensions Board will be chaired by an elected Member of the Council and will meet quarterly in the month following Pensions Committee.
2. Reports to the Board will either reflect decisions taken by Pensions Committee or be reports for noting already seen by Pensions Committee.
3. The role of the Board will be to assist London Borough of Hillingdon Administering Authority as Scheme Manager: to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
4. To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and in such other matters as the LGPS regulations may specify.
5. To secure the effective and efficient governance and administration of the LGPS for the London Borough of Hillingdon Pension Fund.
6. To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest. NB: Being a member of the LGPS is not seen as a conflict of interest.

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest and any Conflicts of Interest
- 3 Minutes of the meeting held on 5 October 2016 1 - 4
- 4 Exclusion of Press and Public

To confirm the items of business marked Part I will be considered in public and that items marked Part II will be considered in private.

- 5 Communication Policy Development 5 - 12
- 6 Review of Pension Committee Reports

Members of the Board are asked to bring their copy of the Pensions Committee agenda to the meeting.

- 7 Frequency of Meetings discussion and Pension Board Work Programme 13 - 16



Minutes

Pensions Board

Wednesday 5 October 2016

**Meeting held at Committee Room 4- Civic Centre,
High Street, Uxbridge UB8 1UW**

	<p>Committee Members Present: Councillors David Simmonds CBE (Chairman), Alan Chapman (Vice-Chairman) and John Morse.</p> <p>Employee Representatives: Roger Hackett, Venetia Rogers and Andrew Scott.</p> <p>Apologies: Paul Whaymand (Corporate Director of Finance) and Daniel Kanaris (AON Hewitt).</p> <p>LBH Officers Present: Ken Chisholm (Corporate Pensions Manager), Nancy LeRoux (Deputy Director Strategic Finance), Sian Kunert (Chief Accountant) and Khalid Ahmed (Democratic Services Manager).</p>	
<p>46.</p>	<p>DECLARATIONS OF INTEREST AND ANY CONFLICTS OF INTEREST</p> <p>Councillor David Simmonds declared a general Non-Pecuniary Interest as he was a member of the Teachers' Pensions Board. He remained in the meeting during discussion on all items.</p> <p>There were no conflicts of interests reported.</p>	
<p>47.</p>	<p>MINUTES OF MEETING HELD ON 29 JUNE 2016</p> <p>Agreed as an accurate record.</p>	
<p>48.</p>	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>That Agenda Items 7, 8 and 9 be considered in private for the reasons stated on the agenda.</p>	
<p>49.</p>	<p>LOCAL PENSION BOARD AND OFFICER SEMINAR</p> <p>The Board was provided with CIPFA & Barnett Waddington's list of seminar programmes for 2016/17 for Local Pension Boards.</p> <p>The seminars were designed as an opportunity for members of Local Pension Boards to share experiences, to receive updates, to enhance knowledge and to discuss the key issues facing Local Government Pension Schemes.</p> <p>RESOLVED –</p> <p>1. That the information be noted and Members be requested</p>	

	to contact the Deputy Director Strategic Finance if they wished to attend any of the seminars.	Action by
50.	<p>PENSIONS BOARD WORK PROGRAMME</p> <p>A general discussion took place on the work programme for the Board and Members were informed that it would be advantageous for Board Members to attend Pensions Committee meetings.</p> <p>At Pensions Committee meetings, Members were provided with greater detail on items which would benefit Pension Board Members.</p> <p>Dates of future Pensions Committee meetings would be sent to Board Members with an invitation to attend the meetings.</p> <p>RESOLVED –</p> <p>1. That the work programme be noted and Members of the Board be invited to attend future meetings of the Pensions Committee to enable their skills and knowledge to be increased.</p>	
51.	<p>UPDATE ON PENSIONS ADMINISTRATION TRANSFER</p> <p><i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed ‘information relating to the financial or business affairs of any particular person (including the authority holding that information)’ (paragraph 3 of the schedule to the Act).</i></p> <p>The Corporate Pensions Manager reported that there were 18 working days to go until the Pensions Administrations was transferred to Surrey County Council. Work was taking place with officers of the Council, Capita and Surrey County Council to ensure a smooth transition.</p> <p>Data exchanges were taking place and testing was taking place with payroll to ensure there were no duplications or omissions of records. On 12 October 2016 there would be an administrators' meeting with Surrey County Council, with school payroll providers also invited to attend.</p> <p>Reference was made to the newly upgraded employees' portal which would be introduced which would help provide information to scheme members.</p> <p>Officers were thanked for the work they had carried out in relation to ensuring a smooth transition of the Pensions Administration contract and also ensure that Pension Scheme member Annual Statements were sent out.</p>	

	RESOLVED - 1. That the information reported be noted.	
52.	REVIEW OF PENSION COMMITTEE REPORTS <i>This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).</i> The Board was provided with the agenda for the last Pensions Committee which took place on 21 September 2016 and noted the reports.	Action by
53.	PART II - MINUTES OF MEETING HELD ON 29 JUNE 2016 Agreed as an accurate record.	
The meeting, which commenced at 5.00 pm, closed at 5.45pm.		

These are the minutes of the above meeting. For more information on any of the resolutions please contact Khalid Ahmed on 01895 250833. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

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Communication Policy Development

Contact Officer: Nancy Leroux
Telephone: 01895 250353

REASON FOR ITEM

LGPS Pension Funds are required under the LGPS Regulations to devise and maintain a Communication Policy. Hillingdon's Policy was last updated in 2014 and with the change of Fund Administrator it is now timely to do so. The Fund's current policy is attached for information. With the introduction of Pension Boards and their role in the governance of the fund, this initial report is designed to support an initial discussion on the content of such a policy, to enable officers to draft an updated policy for consideration at the next meeting.

RECOMMENDATION

That the Board considers the format and content of a Communication Policy; to agree the key objective(s) of the communication policy; and direct officers on other drafting amendments.

INFORMATION

Regulation 61 of the Local Government Pension Scheme Regulations 2013, states:

Statements of policy concerning communications with members and Scheme employers

61. (1) *An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with—*

- (a) members;*
- (b) representatives of members;*
- (c) prospective members; and*
- (d) Scheme employers.*

(2) *In particular the statement must set out its policy on—*

- (a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;*
- (b) the format, frequency and method of distributing such information or publicity; and*
- (c) the promotion of the Scheme to prospective members and their employers.*

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These regulations are relatively vague and do not provide much guidance on how to develop a communication strategy. This report is written to support a discussion by Pension Board on how the current Communications Policy could be improved and updated. As a minimum the content should include:

- Key objectives;
- Communication methodology;
- How we communicate with scheme members - active, deferred and pensioner; with prospective scheme members; with employers participating in the Fund; with Elected members; and with other bodies;
- Statement of lines of communication within the Fund;
- Link to Administration Strategy to identify how performance of communications is measured and monitored;
- Oversight of compliance and quality of communications;
- Publications;
- Data protection statement.

While some of this information is included in the current policy, the most obvious omission is the key objective, or objectives of the policy and Board are asked to agree a form of words for the objective.

The current policy has too great a focus on the possible interest of the stakeholders, with very little content on methods of communication and the communication process and what members can expect. In addition, reference to Capita needs to be removed and the lines of communication with Surrey included.

As part of the work to develop a new draft policy, Officers will review best practice across the LGPS universe and use this intelligence in updating the document.

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Communication Policy Statement

THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013

Issued by: Pension Section, Finance Department

Authorised by: Pensions Committee March 2014

Under the terms of regulation 61 of the above regulations, which came into force on 1st April 2014, the Council must publish a statement of policy concerning communications with members and Scheme employers.

This Communications Policy Statement concerns communications with scheme members, representatives of members, prospective members and Scheme employers. It details:

- a) the provision of information and publicity about the Scheme
- b) the format, frequency and method of distributing such information or publicity, and
- c) the promotion of the scheme to prospective members and their employing authority

There are a number of stakeholders that have an interest in the affairs of the Fund and these may be summarised as follows:- Stakeholder	Primary Interests
London Borough of Hillingdon as Administering Authority Capita Employee Benefits as Scheme Administrators	<ul style="list-style-type: none"> • administration of the scheme in accordance with the regulations • cost of scheme • stability of cost of scheme • fiduciary duty to other stakeholders whom it must treat equally • investment strategy
Scheduled Employers: Academies within the London Borough of Hillingdon Uxbridge College London Housing Consortium	<ul style="list-style-type: none"> • cost of scheme • stability of cost of scheme • investment strategy • production of FRS17/IAS19 Reports
Admission Employer Bodies: Hillingdon & Ealing Citizens Advice Heathrow Travel Care MITIE FM Stag Security Genuine Dining Greenwich Leisure	<ul style="list-style-type: none"> • affordability of scheme • stability of cost of scheme • investment strategy • production of FRS17/IAS Reports

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<p>Active Members:</p> <p>London Borough of Hillingdon Pension Fund Scheduled and Admitted bodies, who have elected to join the scheme</p>	<ul style="list-style-type: none"> • solvency of scheme • ability to pay pensions at distant future date • implications of rising costs for benefits and contributions
<p>All literature and communications sent to Scheme members will be branded with the Capita Employee Benefit Logo</p>	
<p>Deferred Members</p>	<ul style="list-style-type: none"> • solvency of scheme • ability to pay pensions at distant future date
<p>Pensioners</p>	<ul style="list-style-type: none"> • ability to pay pensions now • security of pensions liability
<p>Prospective Members</p>	<ul style="list-style-type: none"> • benefits • solvency of scheme • ability to pay pensions at distant future date
<p>Local Taxpayers</p>	<ul style="list-style-type: none"> • rising impact on Council Tax and services • returns on scheme [as a cost mitigating factor] • funding level (i.e. unfunded liabilities)
<p>Government</p>	<ul style="list-style-type: none"> • stability of cost of scheme • avoidance of political issues arising • good governance • consistency of administration • funding level (i.e. unfunded liabilities)

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In addition there are a number of other stakeholders with whom we communicate on a regular basis, such as Her Majesty's Revenue and Customs, Communities & Local Government, Department of Works and Pensions, Pensions Advisory Service, Solicitors, actuaries and other pension providers.

1. **WEB SITES:** www.hillingdon.gov.uk/central/pensions/index.php
2. : www.mylgpension.co.uk

The **web site** of the London Borough of Hillingdon Pension Fund is the main vehicle for publishing information in relation to the fund. All information relating to the Local Government Pension Scheme and to the Hillingdon Fund is available on the web site. As this site is part of Hillingdon Council's public web site it is available to all our stakeholders. Hard copies of any of the documents will be made available to any member, prospective member or employer on request. The web site is split into the following sections to make it easier to find the required: information.

Fund Information:

- Annual Report and Accounts
- Statement of Investment Principles
- Funding Strategy Statement
- Copies of all pension Fund Policies
- Details of Pension Committee meetings, reports and minutes
- Performance information of the fund's investments

Member Information:

- Joining Information
- Details of the Benefits available
- Scheme booklets
- Regulations
- Information on relevant topics – e.g. increasing contributions,
- Copies of all relevant forms
- Some frequently asked questions

Latest News

- This section highlights all the latest information available about the scheme

Communications:

- Newsletters
- Circulars
- Regulation Updates

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Useful Links:

There are links to other related web sites – for example DWP, HMRC, The Pensions Regulator.

Capita Employee Benefits (CEB) also maintains a website providing general information regarding the LGPS. This website is for the use of the London Boroughs participation in the CEB London Framework. Work is in progress to allow individual Scheme members access to their own pension record via this website. Development of this access is planned for mid 2014.

2. OTHER METHODS OF COMMUNICATION

The next section details the means by which CEB communicate directly with our key stakeholders and the frequency of such communications. Where information is sent to members it is posted to their home address.

Scheme Employers

- Main contact with scheme employers is through operational contact.
- Currently, CEB write directly to all scheme employers to keep them informed of any changes. As the web site is developed, there will be more frequent use made of email and notifications of postings on the web site.
- CEB aim to commence an annual consultative meeting with employers, both as an information forum and as a means of direct consultation with our Scheme employers.

Active Members

- CEB send annual benefits statements to our members following the end of the financial year, and plan to send these statements by August each year.
 - The Pensions Fund Annual Report will be available on request.
 - Each time there is a regulations change, which affects members benefits, updates are made to both web sites.
 - Updates to the web site are notified via 'Horizon', and CEB will also inform Scheme employers.

Pensioner Members

- CEB is planning on allowing pensioner members access to their pension records via the web site. This will also maintain a record of each monthly pension payment for information. This enhancement is due to be in place by the end of 2014. A message is contained on pensioners March payslip to inform them of any annual percentage increase to pensions.

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- The Pensions Fund Annual Report will be available on request.

Deferred Members

- CEB sends annual benefits statements to our deferred members following the end of the financial year. These statements will be sent by the end of June each year.
- The Pensions Fund Annual Report will be available on request.

Prospective Members

A summarised version of the scheme and details of the available web sites are sent to all new members of staff along with an application form.

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Frequency of Meetings and Work Programme 2017/18

Contact Officer: Khalid Ahmed
Telephone: 01895 250833

REASON FOR ITEM

This report is to enable the Pension Board to review meeting dates and forward plans. The Board will be asked for suggestions for items to be discussed at future meetings.

OPTIONS AVAILABLE TO THE BOARD

1. To discuss and agree frequency of meetings
2. To make suggestions for future working practices and/or reviews.

INFORMATION

1. Pension Board was set up from 1 January 2015, with the first meeting in July 2016. Now that Board has completed a full year of meetings, Board is asked to consider their remit and operation and whether there is a need to alter the frequency of meetings. Board would have the option to reduce to either two or three meetings per year. Alternatively they could continue to meet on a quarterly basis.
2. Draft dates for future meetings, all to start at 5.00pm

Meetings	Room
10 January 2017	CR 3
4 April 2017	CR 3
28 June 2017	TBC
4 October 2017	TBC
9 January 2018	TBC
3 April 2018	TBC

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2017/18 DRAFT Work Programme

10 January 2017	Communications Strategy development	Nancy Le Roux, Deputy Director - Strategic Finance/ Jason Bailey, Surrey Pension Fund
	Review of Pension Committee Papers Part II	Nancy Leroux, Deputy Director - Strategic Finance
	Frequency of Meetings discussion and Pension Board Work Programme	Democratic Services Manager
4 April 2017	Training & Development Item	
	Review of Findings from Training Needs Analysis	Dan Kanaris, AON / Nancy Le Roux, Deputy Director - Strategic Finance
	Communications Strategy - draft Policy	Nancy Le Roux, Deputy Director - Strategic Finance
	Governance Policy Update	Nancy Leroux, Deputy Director - Strategic Finance
	Review of Pension Committee Papers Part II	Nancy Leroux, Deputy Director - Strategic Finance
	Pension Board Work Programme	Democratic Services Manager
28 June 2017	<i>TBC</i>	
	<i>TBC</i>	
	Review of Pension Committee Papers Part II	Nancy Leroux, Deputy Director - Strategic Finance
	Pension Board Work Programme	Democratic Services Manager
4 October 2017	<i>TBC</i>	
	<i>TBC</i>	

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	Review of Pension Committee Papers Part II	Nancy Leroux, Deputy Director - Strategic Finance
	Pension Board Work Programme	Democratic Services Manager

9 January 2018	<i>TBC</i>	
	<i>TBC</i>	
	Review of Pension Committee Papers Part II	Nancy Leroux, Deputy Director - Strategic Finance
	Pension Board Work Programme	Democratic Services Manager

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