



HILLINGDON
LONDON



Pensions Board

Date: MONDAY, 24 JULY 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
this meeting

Employer Representatives

Cllr David Simmonds
Cllr Alan Chapman
Cllr John Morse

Employee Representatives

Roger Hackett
Venetia Rogers
Andrew Scott

Published: 14 July 2017

Contact: Khalid Ahmed
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This Agenda is available online at:

<http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=356&MId=3003&Ver=4>

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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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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 Appointment of Chairman and Vice-Chairman
- 2 Apologies for Absence
- 3 Declarations of Interest and any Conflicts of Interest
- 4 Minutes of the meetings held on 4 April and 11 May 2017 1 - 6
- 5 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.
- 6 Pension Fund Communication Strategy 7 - 20
- 7 Pension Fund Governance Policy 21 - 42
- 8 Progress with Training Needs Analysis - Oral Update
- 9 Frequency of Meetings, Pension Board Work Programme & Pension Board Annual Report 43 - 50

PART II

- 10 Review of Pension Committee Reports

Members of the Board are asked to bring their copy of the Pensions Committee agenda of 14 June 2017 to the meeting.

Agenda Item 4



HILLINGDON
LONDON

Minutes

Pensions Board

Tuesday 4 April 2017

Meeting held at Committee Room 3- Civic Centre,
High Street, Uxbridge UB8 1UW

	<p>Committee Members Present: Councillors David Simmonds CBE (Chairman), Alan Chapman and John Morse.</p> <p>Employee Representatives: Roger Hackett, Venetai Rogers and Andrew Scott.</p> <p>LBH Officers Present: Ken Chisholm (Corporate Pensions Manager), Sian Kunert (Chief Accountant) and Khalid Ahmed (Democratic Services Manager).</p>	
60.	<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>	
61.	<p>MINUTES OF MEETING HELD ON 10 JANUARY 2017</p> <p>Agreed as an accurate record.</p>	
62.	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>That Agenda Item 9 be considered in private for the reasons stated on the agenda.</p>	
63.	<p>INVESTMENT STRATEGY</p> <p>The Board was provided with information on the first version of the Pension Fund Investment Strategy Statement.</p> <p>The Board was informed that under the LGPS Investment Regulations, the strategic asset allocation remained the responsibility of the Pensions Committee. The role of the Pensions Board in this process was to ensure compliance with regulations and not to scrutinise investment decisions made by the Committee.</p> <p>Reference was made to the new pooling of investment arrangements under the London CIV, and Members were informed that the Board would have a role to play in terms of scrutiny of the governance arrangements.</p> <p>Members were informed that London Councils received regular update reports from London CIV, with details available on London Council's</p>	<p>Action By:</p>

	<p>website. Officers would find out if this information could be accessed by Hillingdon's Pension Board Members.</p> <p>RESOLVED –</p> <p>1. That the details contained in the report, and provided by officers be noted.</p>	
<p>64.</p>	<p>ADMINISTRATION UPDATE</p> <p>The Board was provided with an update report on the project to transfer pension administration to Surrey County Council from Capita.</p> <p>A detailed project closedown report had been produced, and the Board was informed that in terms of process, Surrey County Council was managing the project very well, and there were no outstanding issues.</p> <p>In terms of the Communications Strategy, this was still being produced and was being brought in line with Surrey. Monthly reconciliation meetings were taking place and the production of Annual Benefits Statements was progressing well. The statements would be comprehensive, would involve a breakdown in service, would also be available for schools and would take into account, changes in working hours.</p> <p>An employee self-service module would be available and was due to be available from July 2017. The Board noted the improvements in processes.</p> <p>RESOLVED –</p> <p>1. That the details contained in the report, and provided by officers be noted.</p>	
<p>65.</p>	<p>PENSION BOARD INSURANCE COVER UPDATE</p> <p>Members were reminded that the issue of insurance cover for members of the Pension Board had been raised by an employee representative on the Board.</p> <p>The Board was informed that the advice given by the Council's Insurance team had been based upon the understanding that no advice was given to third parties. The underwriters would provide cover in respect of the other Board Members actions under the existing Public Liability & Employers Liability policies.</p> <p>It had been agreed with the underwriters that the Council's operation of a Local Pension Board was noted as a function of the Council under the Officials Indemnity policy.</p> <p>The Council's main insurer was looking to offer a specific extension to the Official Indemnity Policy, to cover local Pension Boards, but this had not as yet been released.</p>	

	<p>RESOLVED –</p> <p>1. That the update provided on Pension Board Insurance cover be noted.</p>	
66.	<p>FREQUENCY OF MEETINGS AND WORK PROGRAMME 2017/18</p> <p>Discussion took place on the remit and operation and frequency of future Board meetings for the forthcoming municipal year. Different options were discussed which included reducing the frequency of meetings to either two or three meetings per year, or to continue to meet on a quarterly basis.</p> <p>The Board was asked to give consideration to the frequency of meetings and reach a decision at the next meeting.</p> <p>It was agreed that the Pension Regulatory - Compliance Checklist be included in the Board's work programme for the next meeting.</p> <p>RESOLVED –</p> <p>1. That the discussion be noted and the work programme be updated accordingly.</p>	
67.	<p>REVIEW OF PENSIONS COMMITTEE REPORTS</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 Board was provided with the agenda for the last Pensions Committee which took place on 22 March 2017. The reports were noted.</p>	
	<p>The meeting, which commenced at 5.00 pm, closed at 5.40pm.</p>	

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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Minutes

PENSIONS BOARD

11 May 2017

Meeting held at Council Chamber - Civic Centre,
High Street, Uxbridge UB8 1UW



HILLINGDON
LONDON

	Committee Members Present: Councillor David Simmonds CBE Councillor Alan Chapman Councillor John Morse Roger Hackett Venetia Rogers Andrew Scott	
1.	ELECTION OF CHAIRMAN (<i>Agenda Item 1</i>) RESOLVED: That the appointment of the Chairman of the Pensions Board for the 2017/2018 municipal year be agreed at the first meeting of the Board of the municipal year.	Action by
2.	ELECTION OF VICE CHAIRMAN (<i>Agenda Item 2</i>) RESOLVED: That the appointment of the Vice-Chairman of the Pensions Board for the 2017/2018 municipal year be agreed at the first meeting of the Board of the municipal year.	Action by
	The meeting, which commenced at 8.32 pm, closed at 8.37 pm.	

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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Agenda Item 6

Pension Fund Communication Strategy

Contact Officers

Nancy Leroux, 01895 250353

Papers with this report

Appendix - Communication Strategy

INFORMATION

Following the work undertaken by Pension Board to develop a Communication Strategy for the Pension Fund, Officers completed this policy document and took to Pensions Committee for approval on 14th June 2017. With some minor adjustments the strategy was approved and will come into effect from 1st July 2017.

A copy of that amended strategy is attached. It has also been posted on the pension web pages.

OPTIONS AVAILABLE TO THE BOARD

- 1. To note the Pension Fund Communication Strategy which had been approved by the Pensions Committee.**

PART I – MEMBERS, PUBLIC & PRESS

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London Borough of Hillingdon
Administering Authority for the
London Borough of Hillingdon Pension Fund

COMMUNICATIONS STRATEGY

July 2017

PART I – MEMBERS, PUBLIC & PRESS

Pension Board - 28 June 2017

Page 9

COMMUNICATIONS STRATEGY

Introduction and Background

This is the Statement outlining our Pension Communication Strategy for the London Borough of Hillingdon Pension Fund (“the Fund”) and has been developed following consultation with employers in the Fund, scheme member representatives, Pension Board members and other interested stakeholders.

The aim of this Communication Strategy is to ensure that scheme members appreciate the benefits of the scheme and all stakeholders are kept informed of developments within the Pension Fund, and effective communications will also help to maintain the efficient running of the Scheme.

London Borough of Hillingdon (the “administering authority”) is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme (“the LGPS”). Operationally, the administration of the Fund is undertaken by Surrey County Council under a delegation agreement and the team at Surrey and Hillingdon Council staff work together to provide a seamless service to scheme employers and members, and as such effective communication *between* the two organisations is vitally important. This policy focuses on effective communication between the Fund (i.e. the Council and Surrey County Council as administrator) and its external stakeholders.

The Statement sets out who we will communicate with, how this will be done and how the effectiveness of that communication will be monitored.

Implementation

This Strategy outlines the type of communications the administering authority would like to provide to scheme members and employers. It includes making more use of technology to provide quicker and more efficient communications for the Fund's stakeholders.

The London Borough of Hillingdon Pension Fund's administration was moved from the outsourced administrator Capita Employee benefits to a delegation agreement with Surrey County Council in November 2016, which was a significant project. As part of improving our service to scheme members we are looking at a number of projects which will improve communications and help meet the aims and objectives of this Strategy. These include:

- a review of the Fund's website, and what information will be available on the Surrey website;
- a review of the information provided to members by Surrey;
- implementing self-service web functionality to scheme members and employers.

This Strategy will be effective from 1 July 2017 and the performance indicators mentioned herein will demonstrate ongoing progress towards the Strategy's aims and objectives.

Regulatory Basis

The LGPS is a statutory scheme, established by an Act of Parliament. Regulation 61 of the Local Government Pension Scheme Regulations 2013, reproduced below, provides the conditions and regulatory guidance surrounding the production and implementation of Communications Strategies:

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.

(3) The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).

This statement has been developed to include the information required by those provisions and to describe our approach in relation to meeting these requirements in the delivery of communications.

Our Aims and Objectives

Mission Statement

The primary objectives of the London Borough of Hillingdon Pension Fund are:

- to be known as forward thinking, responsive, proactive and professional providing excellent focused, reputable and credible service to all stakeholders.
- to have instilled a corporate culture of risk awareness, financial governance, and to provide the highest quality, distinctive services within the resource budget.
- to work effectively with partners, being solution focused with a 'can do' approach.

In addition, we have specific aims and objectives in relation to our communication responsibilities as set out below.

Communication Aims and Objectives

This Communications Strategy has a number of specific objectives relating to how we communicate with our stakeholders, as follows;

- Promote the Scheme as a valuable benefit and provide sufficient information to educate members to help them to make informed decisions about their benefits.
- Communicate in a clear, concise manner.
- Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders.
- Look for efficiencies in delivering communications, including through greater use of technology and partnership working, with the view that digital communications is the preferred long term communications solution.
- Annual review of the effectiveness of communications and shape future communications appropriately.

Ultimately, achieving these objectives should result in fewer member and employer queries, which will help all stakeholders whilst maintaining and improving the efficient running of the Scheme.

Delivery of Communications

London Borough of Hillingdon has delegated responsibility for the management of the Pension Fund to the London Borough of Hillingdon Pensions Committee, taking into consideration the thoughts of the Pensions Board. The Committee will monitor the implementation of this Strategy on a regular basis as outlined later in this statement.

Operationally, the communications of the Fund are undertaken partially by Surrey and partly 'in-house' within London Borough of Hillingdon. The London Borough of Hillingdon will also look for opportunities to work collaboratively with other Administering Authorities so as to reduce development costs and enhance the quality of information. This might include:

- working with other administering authorities through the Pensions Officer Group networks to produce communications, which can then be customised further where necessary to the needs of the London Borough of Hillingdon Pension Fund
- participating in joint training sessions with other administering authorities.

How we Communicate

Ensuring that key stakeholders are well informed about the LGPS is of paramount importance, and London Borough of Hillingdon recognises that communicating in a clear informative style is vital in achieving this aim.

Who we Communicate with

London Borough of Hillingdon recognises that there are several distinct stakeholder groups, such as:

- Scheme Members (active, deferred, pensioner and dependant members) and prospective Scheme Members
- Scheme Employers and prospective Scheme Employers
- Pension Fund Committee and Pension Board members
- Pension Fund Staff
- Other interested organisations including Government Departments, Scheme Advisory Board and Advisors to the Pension Fund.

The main means of communication with these key stakeholders are outlined in the next section.

Diversity of Communication

The London Borough of Hillingdon Pension Fund's information is also available in alternative formats for example, Braille or large print on request. The London Borough of Hillingdon Pension Fund always aims to use the most appropriate communication medium(s) for the audience receiving the information. However, the London Borough of Hillingdon acknowledges that digital communications is the preferred long term communications solution.

Methods of Communication

a) With Scheme Members and Prospective Scheme Members

Effective communication reminds, or alerts, employees to the value of the LGPS which negates misleading media information and aids recruitment, retention and the motivation of the workforce.

Website

All members have access to the Fund's website <http://www.hillingdon.gov.uk/pensions> which contains information about the Fund and the LGPS, and members are able to download scheme literature and forms. The website also links to the Surrey website <https://mypension.surreycc.gov.uk/> which provides a self-service facility for them to update their personal details online (including their expression of wish for any death grant that may become payable), calculate their own pension projections and check their membership history.

Annual Benefit Statements

These statements are distributed annually to all active and deferred scheme members and are currently distributed to home addresses. From 2018 these will be made available online rather than posted to home addresses

Newsletters

The Fund issues a periodic newsletter to contributing members, bringing to their attention information such as changes to scheme rules. The Fund also sends an annual newsletter to its pensioners. This is sent with the annual pensions increase notification and explains how their new annual rate of pension has been calculated. It also includes topical information such as relating to the budget and State benefits. The newsletter to contributing members is distributed electronically and the pensioner's notification is sent to home addresses

Telephone and email

All members have the opportunity to telephone, fax or email the London Borough of Hillingdon Pension Fund / Surrey County Council Pension Fund (as appropriate) for information in addition to the other lines of communication open to them.

Literature

The London Borough of Hillingdon Fund makes pension-related literature available to scheme members, including:

- A New Joiner Option Form which is the responsibility of employers to issue to all new members upon joining the London Borough of Hillingdon Pension Fund.
- A retirement pack sent to all members about to retire from the London Borough of Hillingdon Pension Fund.
- A welcome letter which is sent to all members joining the scheme to confirm their membership and provide information about the option to transfer in benefits and pay additional contributions if they wish.

Pensions Taxation Correspondence

Where appropriate, letters are distributed to all members who are affected by the Annual Allowance or the Lifetime Allowance, explaining changes to taxation rules and how this may affect their pension savings.

Annual Report

The Annual Report is published to highlight how the Fund has performed during the previous financial year. It also includes statements with regards to investment principles, funding strategy, and governance. It is available on the Fund's website.

b) With Employers

Effective communication between an administering authority and its Fund employers reduces errors, improves efficiency and leads to good working relationships. The main means of communication with employers are outlined below.

Employer key contact officers and meetings

We expect each employer in the Fund to designate a named individual to act as their key contact officer; this individual will be the main contact with regard to any aspect of administering the LGPS and the employer must keep the administering authority aware of the contact details for that person.

The Fund, where appropriate, will contact, and where relevant, meet with the employer key contact officer to discuss any issues relating to the LGPS and/or raise any issues around the performance of the employer or services provided by the administering authority. Meetings will be arranged if necessary (particularly if specific issues around the performance of the employer arise).

Individual Employer Meetings

Employers have the opportunity to meet with members of staff from the London Borough of Hillingdon Pension Fund / Surrey County Council Pension Fund (as appropriate) to discuss any issues with regard to the Local Government Pension Scheme. These meetings take place as and when they are required.

Administration Strategy

Introduced in April 2016, the administration strategy provides an overview of how the administering authority and employers will work together to achieve a high quality service. It is available on the Fund's website.

Website

The London Borough of Hillingdon Pension Fund website <http://www.hillingdon.gov.uk/pensions> includes a range of information relating to the scheme benefits and also management of the London Borough of Hillingdon Pension Fund. Employers are able to download password protected pensions forms which must be completed by the employer in order for pension benefits to be calculated. The London Borough of Hillingdon Pension Fund can also update employers via the website on urgent LGPS issues. Greater self-service functionality will be introduced for employers on the website during 2017/18 including the ability for employers to set up new joiner records online and calculate early retirement projections in respect of their employees.

Email Updates

We will often communicate with employers using an email distribution list of all employers. This is how we highlight general updates about the LGPS. This email distribution list is also used to remind employers of facilities available to them and their staff, i.e. pension presentations and drop-in sessions.

Employer specific events

The Pension Administration Section will also be happy to attend any employer specific events to assist employers understand their responsibilities.

c) With Pension Committee and Pension Board members:

Effective communication ensures that Pension Committee and Pension Board members are appropriately knowledgeable and able to act in the best interests of the Fund and its members:

Members are provided with regular reporting on all areas relevant to pensions, including investment, funding, audit, governance, administration and risk. This is communicated in a variety of formats including via the external website, the intranet, the annual report and accounts, through committee meetings and through regular training in line with the Fund's training policy. The majority of reports provided to Pension Committee / Pension Board members, together with the meeting minutes, are available on the Democratic Service pages of the Council's website.

d) With Fund Staff:

Effective communication ensures that both Hillingdon and Surrey staff are confident and prepared to undertake their role, as follows:

Pension Manager

The London Borough of Hillingdon and Surrey County Council Pension Managers maintain open-door policies and are available to staff both within and outside the Pensions Teams. In addition, staff have unrestricted access to their supervisors and senior colleagues to discuss and resolve work related issues.

Team Meetings

Office and/or Team meetings are held on a monthly basis to discuss operational issues, ensuring there is a shared understanding of any issues and developing a consistent approach towards addressing them. Any items arising from such meetings are escalated to the relevant Pension Manager and raised at Senior Management Team Meetings if required.

Intranet

Each member of staff has access to the relevant Fund's intranet so that it can be used as an information resource.

E-mail

All staff have access to the e-mail facility.

Internet

All staff have authority to access the internet to assist them in their role within Pension Services.

Induction and training

All new members of staff undergo an induction procedure to acquaint them with the operational running of the Pension Fund. Subsequently, all pension staff also receive both in-house and external training to enable them to administer the scheme effectively, answer member queries, and offer a good customer service and also to assist in their personal development.

Appraisal and Assessment

Staff at all levels in the Pension Team have annual assessments, with a mid-year review, during which there are open discussions of work issues and areas for development. This dialogue is supplemented by regular one-to-one meetings within team structures.

e) Communicating with other bodies:

There are a number of other interested parties with whom we communicate as required, including:

The Department for Communities and Local Government (DCLG)

We have regular contact with DCLG as Responsible Authority of the LGPS, participating and responding to consultations as required.

Scheme Advisory Board

The national Scheme Advisory Board was established following the Public Services Pensions Act 2013 to provide advice to administering authorities and local pension boards in relation to the effective and efficient administration and management of the Scheme and their funds. We therefore liaise with the Scheme Advisory Board as appropriate.

The Pensions Regulator

The Pensions Regulator's remit has been extended to the Public Sector as a result of the Public Services Pensions Act 2013. We therefore liaise with the Regulator as required, and ensure that the London Borough of Hillingdon Fund is compliant with the Pensions Regulator's Code of Practice.

Trade Unions

We work with relevant trade unions to ensure the Scheme is understood by all interested parties. Efforts are made to ensure all pension related issues are communicated effectively with the trade unions.

Employer Representatives

We work with relevant employer representative bodies to ensure that the Fund's views are represented to employer groups. Employers are represented on the Pension Board.

Pension Fund Investment Managers, Advisers and Actuaries

We have regular meetings with;

- the Fund Managers who invest funds on behalf of the Fund
- Investment Advisers who provide help and advice on the asset allocation and investments of the Fund
- the Fund Actuary to discuss funding levels, employer contributions and valuation of the assets and liabilities of the Fund

Pension Fund Custodian

The Fund's Custodian ensures the safekeeping of the Funds investment transactions and all related share certificates.

AVC Provider

Additional Voluntary Contributions (AVC) are a way for members to top up their pension benefits, and in some instances provide tax free lump sum depending on the policy, and are held and invested separately from the LGPS. The Fund's preferred AVC provider is Prudential.

Pensions and Lifetime Savings Association (PLSA)

The Fund is a member of PLSA (formerly NAPF), which provides an opportunity for administering authorities to discuss issues of common interest and share best practice.

Regional Forums

The London Pension Officers Group takes place quarterly. It is an opportunity for the Pensions Managers and other Pension Officers from administering authorities in the region to share information and ensure uniform interpretation of the Local Government Pension Scheme, and other prevailing regulations.

Requests for Information (FOI)

Requests for information either under the Freedom of Information Act or otherwise, will be dealt with as openly and swiftly as allowed providing that such information does not breach confidentiality.

Consultations

There are occasions when the administering authority will consult with interested parties either as a result of potential changes to the regulations governing the LGPS or specific policy changes relating to the London Borough of Hillingdon Fund. In these instances, the most effective way of communicating with interested parties is to hold a period of consultation, during which, they are given the opportunity to respond to specific changes. Interested parties and representative groups will be approached to provide feedback to the policy changes before amendments are enacted.

Key Risks

The key risks to the delivery of this Strategy are outlined below. The London Borough of Hillingdon Corporate Pension Manager will work together with the Lead Pensions Manager at Surrey and with the Pension Committee and Pension Board in monitoring these and other key risks and considering how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies causes strain on day to day delivery
- Significant external factors, such as national change, impacting on workload
- Issues in production of annual benefits statements, e.g. wrong address and printing errors due to external supplier
- Issuing incorrect or inaccurate communications
- Failure to maintain employer database leading to information not being sent to correct person
- Lack of clear communication to employers, scheme members and pensioners

Preparation and Review

This Strategy Statement was approved in June 2017 by the London Borough of Hillingdon Pension Committee. It is effective from 1 July 2017.

It will be formally reviewed and updated at least every three years or sooner if the communication management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing this Strategy we have consulted with the scheme member and employer representatives on the London Borough of Hillingdon Pension Board and other persons considered appropriate.

This Strategy Statement will be included within the Fund's Annual Report and Accounts and available on our website at: <http://www.hillingdon.gov.uk/pensions>.

Further Information

Any enquiries in relation to the Fund's communications or the principles or content of this Strategy should be sent to:

Ken Chisholm, Corporate Pensions Manager
London Borough of Hillingdon
Civic Centre
High Street
Uxbridge
UB8 1UW

E-mail - kchisholm@hillingdon.gov.uk
Telephone - 01895 250847

Pension Fund Governance Policy

Contact Officers

Nancy Leroux, 01895 250353

Papers with this report

Draft Governance Policy

REASON FOR ITEM

A draft of a revised Governance Policy for the Pension Fund has been developed and is being brought to Pension Board to consider in the first instance.

RECOMMENDATION

It is recommended that Board review the draft Governance Policy and identify any amendments and improvements which could be made prior to it being finalised and taken to Pensions Committee for approval.

Information

1. As part of the ongoing work on governance of the Pension Fund being undertaken by this local Pension Board, a review of all policy and strategy documents is being done.
2. Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires Local Government Pension Scheme (LGPS) Administering Authorities to publish Governance Compliance Statements setting out information relating to how the Administering Authority delegates its functions under those regulations and whether it complies with guidance given by the Secretary of State for Communities and Local Government. It also requires the Authority to keep the statement under review and to make revisions as appropriate and where such revisions are made to publish a revised statement.
3. Supported by Daniel Kanaris of AON Hewitt, a draft of an updated Governance Policy is now brought to Board for consideration. At this stage the revised policy is still a work in progress and some sections do require additional work. These are highlighted in yellow. However, it is timely for Board to now make further suggestions for improvement. Officers will then complete the documents for taking to Pensions Committee for approval.

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London Borough of Hillingdon Pension Fund

Governance Policy and Compliance Statement

PART I – MEMBERS, PUBLIC & PRESS

Pension Board - 28 June 2017

Page 23

Governance Policy and Compliance Statement– Administering Authority

London Borough of Hillingdon is the Administering Authority of the London Borough of Hillingdon Pension Fund and administers the Local Government Pension Scheme on behalf of participating employers.

Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires Local Government Pension Scheme (LGPS) Administering Authorities to publish Governance Compliance Statements setting out information relating to how the Administering Authority delegates its functions under those regulations and whether it complies with guidance given by the Secretary of State for Communities and Local Government. It also requires the Authority to keep the statement under review and to make revisions as appropriate and where such revisions are made to publish a revised statement.

Aims and Objectives

The London Borough of Hillingdon recognises the significance of its role as Administering Authority to the London Borough of Hillingdon Pension Fund on behalf of its stakeholders which include (at time of drafting):

- § around 22,100 current and former members of the Fund, and their dependants
- § over 40 employers within the London Borough of Hillingdon Fund
- § local taxpayers within the council areas participating in the London Borough of Hillingdon Pension Fund.

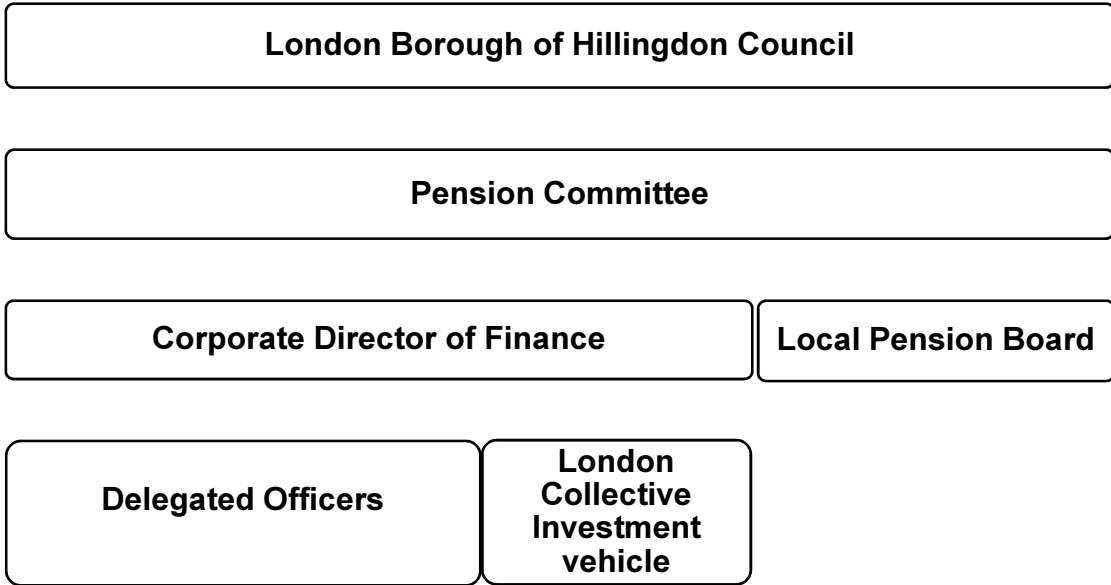
In relation to the governance of the Fund, our objectives are to ensure that:

- § all staff and Pensions Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- § the Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- § all relevant legislation is understood and complied with
- § the Fund aims to be at the forefront of best practice for LGPS funds
- § the Fund manages Conflicts of Interest appropriately

Structure

The Constitution of the Council sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and that those who made the decisions are accountable to local people. The Constitution sets out the framework under which the Pension Fund is to be administered as shown in the diagram below.

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Terms of Reference for the Pensions Committee

The Pensions Committee's principal aim is to carry out the functions of the London Borough of Hillingdon as the Scheme Manager and Administering Authority for the London Borough of Hillingdon Pension Fund in accordance with Local Government Pension Scheme and any other relevant legislation.

In its role as the administering authority, the London Borough of Hillingdon owes fiduciary duties to the employers and members of the London Borough of Hillingdon Pension Fund and must not compromise this with its own particular interests. Consequently this fiduciary duty is a responsibility of the Pensions Committee and its members must not compromise this with their own individual interests.

The Pensions Committee operates under the following terms of reference:

Terms of Reference

1. To review and approve all aspects of investment policy relating to the Pensions Fund, including agreeing the strategic asset allocation and authorisation or prohibition of particular investment activities.
2. To review the Investment Strategy Statement and amend it when necessary.
3. To agree benchmarks and performance targets for the investment of the Fund's assets and review periodically.

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4. To agree to transfer funds into mandates managed by the London Collective Investment Vehicle (CIV) as soon as appropriate opportunities become available.
5. To receive regular reports from the London CIV and to agree and resultant actions from a review of the investments held with the London CIV.
6. To keep the performance of the investment managers under regular review and extend or terminate their contracts as required. To appoint new managers when necessary.
7. To agree policy guidelines for the exercise of voting rights attached to the Fund's shares.
8. To review the appointment of specialist advisors and service providers and make new appointments as necessary.
9. To consider the overall implications of the Council's policies for employment and benefits issues and their impact on the Pension Fund and agree any strategic changes.
11. To approve the appointment of persons to hear appeals under the Internal Dispute Resolution Procedure.
12. To consider issues concerning the administration of the Fund, including approving responses to consultation papers.
13. To consider and decide whether to approve proposals for discretionary enhanced early retirement packages for officers.
14. The Corporate Director of Finance be authorised to take urgent decisions in relation to the pensions fund and investment strategy on behalf of the Committee, reporting back to the Pensions Committee any exercise of these powers for ratification.

Membership of the Pensions Committee

Councillor membership of the Committee will be 5, will be politically balanced and have voting rights. In addition, the Independent Adviser and Investment Consultant would normally attend meetings along with relevant officers in an advisory, non-voting capacity.

Meetings

The Council shall fix the day of meetings of the Pensions Committee and the ordinary meetings for the Pensions Committee shall be at Hillingdon Civic Centre, but they may arrange to meet elsewhere when they see fit. The Chair may cancel meetings. The Pensions Committee meets every quarter and the dates are arranged annually in advance. The Chairman of the Committee may call a special meeting if required.

Access to Agenda, Reports and Minutes of Meetings

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The Council will give at least seven clear working days notice of any meeting by posting details of the meeting at the Hillingdon Civic Centre and on the Council's website. The Council will make copies of the agenda and reports open to the public available for inspection at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda. The reason for lateness will be specified in the report. There may on occasions be items, which may be exempt from the agenda, reports and minutes of the meetings when it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Items which are most likely to be excluded are issues where to disclose information would contravene an individual's privacy or where there are financial interests which may be compromised as a result of disclosure for example discussions surrounding contracts. The Council will make available copies of the minutes of the meeting and records of decisions taken. Minutes of meetings and records of decisions are available for inspection on the Council's website: <http://www.hillingdon.gov.uk>

The Committee's full terms of reference can also be found on the Council's website.

Scheme of Delegation

Where Council functions are not specifically reserved to the Pensions Committee in relation to the Pension Fund, the functions are deemed to be delegated to the relevant Chief Officers, or the Corporate Director of Finance in the case of the Pension Fund. The Corporate Director of Finance is responsible for the establishment of a scheme of delegation for their department which includes the Pension Fund function. The scheme of delegation specifies the function, names the post which may carry out that delegated decision and the limits if any on the delegation. The limits on delegation may include the obligation to consult record and/or refer back to the Chief Executive or Corporate Director of Finance in certain circumstances. The Finance Directorate has a scheme of delegation which sets out the delegated powers to individual officers within the directorate. In relation to the Pension Fund the management is delegated to the Corporate Director of Finance and responsible officer for the pension Fund. The scheme of delegation is reviewed regularly by the Council.

London CIV Joint Governance Committee

To be added

London CIV Officer Working Group

To be added

Pension Board

With effect from 1 April 2015, each Administering Authority is required to establish a local Pension Board to assist them with

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Pension Board - 28 June 2017

- § securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator
- § ensuring the effective and efficient governance and administration of the Pension Fund

Such Pension Boards are not local authority committees; as such the Constitution of London Borough of Hillingdon does not apply to the Pension Board unless it is expressly referred to in the Board's terms of reference. The London Borough of Hillingdon Pension Board was established by London Borough of Hillingdon on [1st April 2015] and the full terms of reference of the Board can be found on the Fund's website hillingdon.gov.uk/pensions. The key points are summarised below:

Role of the Pension Board

The Pensions Board is not a decision making body, rather it has a compliance and scrutiny role to ensure the Pensions Committee effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator. Additionally the Pension Board will help ensure that the London Borough of Hillingdon Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

Membership of the Pension Board

The membership of the Board must be equally split between employer and scheme member representatives with relevant experience and the capacity to represent. Council has determined that membership shall be:

- 3 elected Members, appointed on the basis of political balance and appointed annually by Council. No elected Member may sit on both the Pensions Committee and the Pensions Board.
- 3 employee/scheme member representatives - selected at interview by the Chairman and one other Member of the Pensions Committee and a Senior Officer, on the basis of capacity and/or experience. Term of Office to be indefinite

Meetings

The Pension Board meets quarterly in the ordinary course of business and additional meetings may be arranged as required to facilitate its work.

The Pension Board is treated in the same way as a Committee of the London Borough of Hillingdon and, as such, members of the public may attend and papers will be made public in the same way as described above for the Pensions Committee.

Policy Documents

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In addition to the foregoing, there are a number of other documents which are relevant to the Governance and management of the Pension Fund. Brief details of these are listed below and the full copies of all documents can be found on the Pension Fund Website: hillingdon.gov.uk/pensions.

Funding Strategy Statement

The Funding Strategy Statement forms part of the framework for the funding and management of the Pension Fund. It sets out how the Fund will approach its liabilities and contains a schedule of the minimum contribution rates that are required of individual employers within the Fund. The Funding Strategy Statement (FSS) is drawn up by the Administering Authority in collaboration with the Fund's actuary and after consultation with the Fund's employers. The FSS forms part of a broader framework which covers the Pension Fund and applies to all employers participating in the Fund. The FSS represents a summary of the Fund's approach to funding the liabilities of the Pension Fund.

Investment Strategy Statement

The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2016 require pension fund administering authorities to prepare, maintain and publish a statement of the principles governing their decisions on the investment of the pension fund.

The areas covered in the Investment Strategy Statement are as follows:

- § Investment objectives.
- § Asset allocation
- § Pooling of assets
- § Investment implementation
- § Investment governance
- § Performance management
- § Risk Management
- § Environment, Social and Governance (ESG) policy

Governance Compliance Statement

This sets out the Pension Fund's compliance with the Secretary of State's Statutory Guidance on Governance in the LGPS. This is attached as Appendix A and shows where the Fund is compliant or not compliant with best practice and the reasons why it may not be compliant.

Training Policy

London Borough of Hillingdon has a Training Policy which has been put in place to assist the Fund in achieving its governance objectives and all Pensions Committee members, Pension Board members and senior officers are expected to continually

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demonstrate their own personal commitment to training and to ensuring that the governance objectives are met.

To assist in achieving these objectives, the London Borough of Hillingdon Pension Fund aims to comply with:

- § the CIPFA Knowledge and Skills Frameworks and
 - § the knowledge and skills elements of the Public Service Pensions Act 2013 and the Pensions Regulator's (TPR) Code of Practice for Public Service Schemes
- as well as any other LGPS specific guidance relating to the knowledge and skills of Pensions Committee members, Pension Board members or pension fund officers which may be issued from time to time.

Members of the Pensions Committee, Pension Board and officers involved in the management of the Fund will receive training to ensure that they meet the aims of the Training Policy with training schedules drawn up and reviewed on at least an annual basis.

Conflicts of Interest

Conflicts of interest have always existed for those with LGPS administering authority responsibilities as well as for advisers to LGPS funds. This simply reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as a member of the scheme, as an elected member of an employer participating in the LGPS or as an adviser to more than one LGPS administering authority. Further any of those persons may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.

It is generally accepted that LGPS administering authorities have both fiduciary and public law duties to act in the best interest of both the scheme beneficiaries and participating employers. This, however, does not preclude those involved in the management of the Fund from having other roles or responsibilities which may result in an actual or potential conflict of interest.

Annual Report and Accounts

As part of the financial standing orders it is the duty of the Corporate Director of Finance to ensure that record keeping and accounts are maintained by the Pension Fund. The Pension Fund accounts are produced in accordance with the accounting recommendations of the Financial Reports of Pension Schemes - Statement of Recommended Practice. The financial statements summarise the transactions of the Scheme and deal with the net assets of the Scheme. The statement of accounts is reviewed by both the Pensions Committee and the Audit Committee and incorporated in the Statement of Accounts for the Council. Full copies of the Report and Accounts are distributed to employers in the Fund and other interested parties and a copy placed on the website: hillingdon.gov.uk/pensions.

Communication Policy

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This document sets out the communications policy of the administering authority and sets out the strategy for ensuring that all interested parties are kept informed of developments in the Pension Fund. This helps to ensure transparency and an effective communication process for all interested parties. A copy of the policy can be found on the Pensions website: hillingdon.gov.uk/pensions.

Discretions Policies

Under the LGPS regulations, the Administering Authority has a level of discretion in relation to a number of areas, and maintains a policy document detailing how it will exercise these discretions. The Administering Authority reviews these policies as appropriate and will notify interested parties of any significant changes. Employing Authorities are also required to set out their discretions policies in respect of areas under the Regulations where they have a discretionary power. Copies of both the Administering Authority and London Borough of Hillingdon's Employing Authority Discretions can be found on the website: <http://www.hillingdon.gov.uk>

Pension Administration Strategy

In order to assist with the management and efficient running of the Pension Fund, the Pension Administration Strategy encompassing administrative procedures and responsibilities for the Pension Fund for both the Administering Authority and Employing Authorities has been distributed to employers within the Fund following consultation and can be found on the website: hillingdon.gov.uk/pensions. This represents part of the process for ensuring the ongoing efficient management of the Fund and maintenance of accurate data and forms part of the overall governance procedures for the Fund.

Monitoring Governance of the London Borough of Hillingdon Pension fund

The Fund's governance objectives will be monitored as follows:

Objective	Monitoring Arrangements
Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.	<ul style="list-style-type: none"> • The Pension Board prepares and publishes an annual report. • In line with the Regulations this document will be filed with the DCLG.
Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise	<ul style="list-style-type: none"> • A Training Policy is in place together with monitoring of all training by Pensions Committee members and key officers.

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Objective	Monitoring Arrangements
Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based	<ul style="list-style-type: none"> • Pension Committee meetings are open to all stakeholders to attend and papers and minutes are published. • The Pension Board includes representatives from scheme members and employers in the Fund. • The Pension Board prepares and publishes an annual report which may include comment on decision making.
Understand and monitor risk	<ul style="list-style-type: none"> • A Risk Policy and register is in place. • Ongoing consideration of key risks at Pensions Committee meetings.
Strive to ensure compliance with the appropriate legislation and statutory guidance and to act in the spirit of other relevant guidelines and best practice guidance	<ul style="list-style-type: none"> • The Governance of the Fund is considered by both the External and Internal Auditors. All External and Internal Audit Reports are reported to Committee. • The Fund maintains a log of all breaches of the law in accordance with the Fund's breaches procedure.

Key Risks

The key risks to the delivery of this Strategy are outlined below. Pensions Committee members will monitor these and other key risks and consider how to respond to them.

- § Changes in Pensions Committee membership, Pension Board membership and/or key officers resulting in loss of continuity and potentially diminishing knowledge and understanding
- § Changes in government / legislative requirements meaning insufficient time allocated to ongoing management, either at Pensions Committee meetings or as part of key officers' duties
- § Ineffective delegation of duties and/or presentation of Pensions Committee items resulting in insufficient time spent on key matters
- § Poor attendance and/or a lack of engagement at training and/or formal meetings by Committee members, Board members and/or other key officers resulting in a poor standard of decision making and/or monitoring
- § Conflicts of interest not being appropriately managed by Committee members, Board members and/or key officers.

Approval, Review and Consultation

This Governance Policy and Statement was approved at the London Borough of Hillingdon Pensions Committee meeting on xxxxxx following consultation with all the participating employers in the Fund and London Borough of Hillingdon union representatives. It will be formally reviewed and updated at least every three years

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or sooner if the governance arrangements or other matters included within it merit reconsideration.

Contact Information

Any enquiries in relation to the Fund's governance or the principles or content of this Strategy, or for further information on the Fund, contact:

Ken Chisholm, Corporate Pensions Manager
London Borough of Hillingdon
Civic Centre
High Street
Uxbridge
UB8 1UW

e-mail - kchisholm@hillingdon.gov.uk
Telephone - 01895 250847

Website: hillingdon.gov.uk/pensions

Governance Best Practice – Compliance Statement - to be completed

Appendix A – London Borough of Hillingdon Pension Fund Governance Compliance Statement

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Best Practice	Compliant or not?	Explanatory Note
A. STRUCTURE & REPRESENTATION		
a. The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.		
b. That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.		
B. REPRESENTATION		

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Best Practice	Compliant or not?	Explanatory Note
<p>a. That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:-</p> <ul style="list-style-type: none"> i) employing authorities (including non-scheme employers, e.g. admitted bodies); ii) scheme members (including deferred and pensioner scheme members), iii) where appropriate, independent professional observers, and iv) expert advisors (on an ad-hoc basis). 		
<p>b. That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>		
<p>C. SELECTION AND ROLE OF LAY MEMBERS</p>		
<p>a. That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p>		

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Best Practice	Compliant or not?	Explanatory Note
<i>b.</i> That at the start of any meeting committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.		
D. VOTING		
<i>a.</i> The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.		
E. TRAINING / FACILITY TIME / EXPENSES		
<i>a.</i> That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.		
<i>b.</i> That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.		

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Best Practice	Compliant or not?	Explanatory Note
c. That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.		
F. MEETINGS (FREQUENCY/QUORUM)		
a. That an administering authority's main committee or committees meet at least quarterly.		
b. That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.		
c. That an administering authority who do not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented		
G. ACCESS		

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Best Practice	Compliant or not?	Explanatory Note
a. That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.		
H. SCOPE		
a. That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements		
I. PUBLICITY		
a. That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.		

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Delegation of Functions to Officers by Pensions Committee – June 2017

Key:

PC – Pensions Committee

CDF – Corporate Director of Finance

FA – Fund Actuary

Advisers – Investment, actuarial and/or benefits consultants as appropriate

Function delegated to PC	Further Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
<p>Investment strategy - approving the Fund's Investment Strategy Statement including specific liability profile and risk appetite.</p> <p>Monitoring the implementation of these policies and strategies on an ongoing basis.</p>	<p>Rebalancing and cash management</p> <p>Implementation of strategic allocation</p>	CDF (having regard to ongoing advice of advisers)	High level monitoring at PC with more detailed monitoring by CDF
Selection, appointment and dismissal of the Fund's advisers, including actuary, benefits consultants, investment consultants, global custodian, fund managers, lawyers, pension funds administrator, and independent professional advisers.	Ongoing monitoring of Fund Managers	CDF (having regard to ongoing advice of advisers and subject to ratification by PC)	High level monitoring at PC with more detailed monitoring by advisers

Function delegated to PC	Further Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
Agreeing the terms and payment of bulk transfers into and out of the Fund.	Agreeing the terms and payment of bulk transfers into and out of the Fund where there is a bulk transfer of staff from the Fund. Exceptions to this would be where there is a dispute over the transfer amount or it relates to significant assets transfers relating to one employer or the Fund as a whole	CDF after taking appropriate advice from the FA.	Ongoing reporting to PC for noting
Making decisions relating to employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.	Making decisions relating to employers joining and leaving the Fund and compliance with the Regulations and policies. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund where the employer.	CDF after taking appropriate advice from the FA.	Ongoing reporting to PC for noting
To review the Pension Fund's policy and strategy documents on a regular cycle and review performance against the Fund's objectives within the business plan	Changes to Administering Authority discretionary policies necessitated by changes to regulations - authority to amend the policies to reflect the requirements of such new regulations, subject to those decisions having no significant financial implications.	CDF and the Head of HR	Copy of policy to be circulated to PC members once approved.

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Function delegated to PC	Further Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.	Agreeing the Administering Authority responses where the consultation timescale does not provide sufficient time for a draft response to be approved by PC.	CDF, subject to agreement with Chairman	PC advised of consultation via e-mail (if not already raised previously at PC) to provide opportunity for other views to be fed in. Copy of consultation response provided at following PC for noting.
Overall responsibility the Fund's Knowledge and Skills Policy for all Pensions Committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy.	Implementation of the requirements of the CIPFA Code of Practice ¹	CDF	Regular reports provided to PC
The Committee may delegate a limited range of its functions to one or more officers of the Authority. The Pensions Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pensions Committee.	Other urgent matters as they arise	CDF, subject to agreement with Chairman	PC advised of need for delegation via e-mail as soon as the delegation is necessary. Result of delegation to be reported for noting to following PC.
	Other non-urgent matters as they arise	Decided on a case by case basis	As agreed at PC and subject to monitoring agreed at that time.

¹ CIPFA Code of Practice recommends each administering authority delegates responsibility for implementation to a senior officer.

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FREQUENCY OF MEETINGS, WORK PROGRAMME 2017/18 AND PENSION BOARD ANNUAL REPORT

Committee	Pension Board
Officer Reporting	Khalid Ahmed
Papers with report	Nil

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.
3. To consider the format of an annual report on the work of the Board to Pensions Committee.

INFORMATION

1. The Pensions Board was set up from 1 January 2015, with the first meeting in July 2016. Now that Board has completed over 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. Discussion took place on options at the last Board meeting held on 4 April 2017.
2. Draft dates for future meetings, all to start at 5.00pm

Meetings	Room
4 April 2017	CR 3
28 June 2017	CR5
4 October 2017	CR3
9 January 2018	CR3
3 April 2018	CR3

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PENSION BOARD:2017/18 DRAFT Work Programme

4 April 2017	Communications Strategy - draft Policy - deferred	Dan Kanaris / Ken Chisholm, Corporate Pensions Manager
	Administration Update	Ken Chisholm, Corporate Pensions Manager
	Board Issues Update	Nancy Leroux, Deputy Director - Strategic Finance
	Review of Pension Committee Papers Part II	
	Pension Board Work Programme	Democratic Services Manager

28 June 2017	Communications Strategy - agreed June Pensions Committee	Nancy Leroux, Deputy Director, Strategic Finance
	Draft Governance Strategy	Dan Kanaris / Nancy Leroux, Deputy Director, Strategic Finance
	Verbal update on progress with Training Needs Analysis	Sian Kunert, Chief Accountant
	Review of Pension Committee Papers Part II	
	Pension Board Work Programme & Pension Board Annual Report	Democratic Services Manager

4 October 2017	TBC	
	TBC	
	Review of Pension Committee Papers Part II	
	Pension Board Work Programme	Democratic Services Manager

9 January 2018	TBC	
	TBC	
	Review of Pension Committee Papers Part II	

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	Pension Board Work Programme	Democratic Services Manager
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3 April 2018	<i>TBC</i>	
	<i>TBC</i>	
	Review of Pension Committee Papers Part II	
	Pension Board Work Programme	Democratic Services Manager

- Each local Pension Board is required to submit a formal report to Pensions Committee explaining the work it has undertaken. It is recommended that such a report is made annually. Having been in existence for two years, Board should consider making a report back to Pension Committee. A draft for discussion is being written and will be circulated shortly.

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Local Pension Board - Annual Report

Contact Officers

Nancy Leroux, 01895 250353

Papers with this report

n/a

PURPOSE OF REPORT

The report is compiled to provide feedback to Pensions Committee on the work undertaken by the Local Pension Board since its inception and to meet the legislative requirement for producing an annual report. The need for an annual report was first discussed on 5th April 2016, when it was agreed that the production of the first report should wait until early 2017.

RECOMMENDATION

It is recommended that the Board discuss the contents of the Annual Report, before it is submitted to the Pensions Committee.

BACKGROUND

1. The Public Service Pensions Act 2013 introduced the requirement to have a Local Pensions Board to assist in the good governance of the scheme.
2. The purpose of the Board is to assist the Administering Authority in its role as a Scheme Manager of the Scheme. Such assistance is to:
 - Secure compliance with the regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
 - To ensure the effective and efficient administration of the Scheme.
3. London Borough of Hillingdon Council ratified the establishment of the Board on 6th November 2014 to commence with effect from 1st April 2015. The Board meets four times a year and consists of three Employer representatives, all members of the Council, and three scheme member representatives.

Membership and Attendance at Meetings

4. The membership of the local Pension Board is:

Employer Representatives:

Councillor David Simmonds (Chairman)

Councillor Alan Chapman (Vice-Chairman)

Councillor John Morse

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Scheme Member Representatives:

Venetia Rogers	Active Member
Andrew Scott	Active Member
Roger Hackett	Retired Member

- Attendance at meetings has been high with an attendance rate of 88%.
- AON Hewitt was appointed as Governance advisers to support the development and work of the local Pension Board and attend meetings as necessary.

Training

- Internal training for all Board Members has been specific to the topics they have considered and been provided at the start of those meetings. The early focus was on the role of the Pension Board, Scheme Governance and the Pension Regulator's Code of Practice, with later sessions focussing on Investment of the Fund's assets and the Triennial Valuation process. Relevant external training opportunities are made available to Board Members and have been well supported, particularly by the scheme member representatives.
- Using CIPFA's Training Needs analysis, specific training needs have been identified, and will continue to be identified, and will be built into future training.

Work of the Local Pension Board

- The first meeting of the Hillingdon local Pension Board was in July 2015 and an outline workplan for the first two of years was agreed. There were four meetings in each municipal year - 30/07/15; 07/10/15; 12/01/16; 05/04/15; 29/06/16; 05/10/16; 10/01/17; and 04/04/17.
- Each meeting undertakes a review of the most recent Pensions Committee reports and decisions, raising any issues for clarification with officers. To date there have been no issues referred back to Pensions Committee. All Committee papers are shared with Board Members who are encouraged to attend Committee meetings to fully understand the reports.
- The first meeting of the Board agreed the Terms of Reference for the Board:
 - The Pensions Board will be chaired by an elected Member of the Council and will meet quarterly in the month following Pensions Committee.
 - Reports to the Board will either reflect decisions taken by Pensions Committee or be reports for noting already seen by Pensions Committee.
 - The role of the Board will be to assist London Borough of Hillingdon Administering Authority as Scheme Manager: to secure compliance

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with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS.

- 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.
- To secure the effective and efficient governance and administration of the LGPS for the London Borough of Hillingdon Pension Fund.
- To provide the Scheme Manager with such information as it requires ensuring 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.

12. The key work of the Pension Board to date has related to improving Fund governance through refreshing and drafting policy documentation and in ensuring compliance with the Pension Regulator's code of practice. Pension Board have undertaken some significant pieces of work since inception including:

- Development of a policy to Report Breaches of the Law;
- Development of a refreshed Communication Strategy;
- Supporting the development and introduction of an Administration Strategy;
- Review initial self assessment against Pension regulator's Compliance checklist and agreement of actions for improvement; and
- Maintaining a watching brief on the transition of Pensions Administration from Capita Employee Benefits to Surrey County Council.

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