

THE LONDON BOROUGH OF HILLINGDON - PENSIONS BOARD - TERMS OF REFERENCE

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REASON FOR ITEM

This document sets out the terms of reference for the Local Pension Board of the London Borough of Hillingdon Pension Fund as required by the Public Service Pensions Act 2013 and the Local Government (Amendment) (Governance) Regulations 2014. .

OPTIONS OPEN TO THE COMMITTEE

The Pensions Board is asked to adopt the Terms of Reference of the Board.

INFORMATION

1. At Council on 6 November 2014 delegated authority was given to the Head of Democratic Services to establish a Hillingdon Local Pension Board by 1 April 2015, in accordance with the draft Local Government Pension Scheme (Amendment) (Governance) Regulations 2014.
2. After a selection process for employee representative and after appointments made by Council of employer representatives (Members), the London Borough of Hillingdon Local Pensions Board membership is as follows:-
 - Cllr David Simmonds
 - Cllr Alan Chapman
 - Cllr John Morse
 - Venetia Rogers (active member)
 - Andrew Scott (active member, external employer)
 - Roger Hackett (retired member)
3. In addition and to ensure no conflict of interest, Alison Murray of AON Hewitt has been engaged for an initial period of one year to support the development of the Pension Board and to advise on their work plan.

REMIT OF PENSION BOARD

4. The main purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Pension Scheme. Such assistance is described under two key headings to:

(i) Secure compliance with the Regulations, 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;

(ii) To ensure the effective and efficient governance and administration of the Scheme.

(i) Under this heading, reports developed for consideration at the quarterly meetings of the Board will focus on the following areas when relevant:

- a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.
- c) Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- d) Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- e) Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.
- f) Monitor complaints and performance on the administration and governance of the scheme.
- g) Assist with the application of the Internal Dispute Resolution Process.
- h) Review the complete and proper exercise of Pensions Ombudsman cases.
- i) Review the implementation of revised policies and procedures following changes to the Scheme.
- j) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- k) Review the complete and proper exercise of employer and administering authority discretions.
- l) Review the outcome of internal and external audit reports.
- m) Review draft accounts and Fund annual report.
- n) Review the compliance of particular cases, projects or process on request of the Committee.
- o) Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Board deems appropriate.

(ii) Under this heading, the Board may determine the areas it wishes to consider including but not restricted to:

- a) Monitor performance of administration, governance and investments against key performance targets and indicators.

- b) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
 - c) Monitor investment costs including custodian and transaction costs.
 - d) Monitor internal and external audit reports.
 - e) Review the risk register as it relates to the scheme manager function of the authority.
 - f) Assist with the development of improved management, administration and governance structures and policies.
 - g) Review the outcome of actuarial reporting and valuations.
5. In support of its core functions the Board may make a request for information to the Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

Reporting

6. The Board will, in the first instance report its requests, recommendations or concerns to the Pensions Committee. In support of this any member of the Board may attend Pensions Committee meeting as an observer.
7. In support of its core functions the Board may make recommendations to the Pensions Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Terms of Reference

8. 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.