

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

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- 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.