

Committee	Pensions Committee
Officer Reporting	James Lake, Finance
Papers with report	Pension Committee Workplan Scheme Pays Policy Governance Policy Administration Strategy Training Policy

HEADLINES

This report is to enable the Pension Committee to review the Committee workplan, note governance updates as well as approval of various triennial and interim policy updates.

RECOMMENDATIONS

That the Committee:

- 1. Note the dates for Pensions Committee meetings.**
- 2. Make suggestions for future agenda items, working practices and / or reviews.**
- 3. Note Committee's training update.**
- 4. Approve Scheme Pays Policy**
- 5. Approve Governance Policy**
- 6. Approve Administration Strategy for consultation.**
- 7. Approve Training Policy**

SUPPORTING INFORMATION

The Pension Committee workplan has been updated and is now shown as an appendix to this report. The revised presentation is designed to assist with planning and prioritisation of actions.

Committee are asked to review the workplan and make suggestions for consideration and inclusion.

Future meeting dates:

- 26 March 2024
- 5 June 2024 (TBC)
- 25 September 2024 (TBC)
- 10 December 2024 (TBC)
- 26 March 2025 (TBC)

Training

In line with the required competencies set out by CIPFA Knowledge and Skills Framework, Pension Committee members should have a general understanding of areas associated with their LGPS fiduciary role. Upcoming changes in legislation are expected to enforce the need for training and will make it a regulatory requirement for Pension Committee members.

To monitor progress against this requirement a log of member training is shown below. Pension Committee members are asked to complete the AON CIPFA Knowledge & Skills Framework sessions.

Pensions Committee Training Log 2023/24

Date	Details	Cllr Mathers	Cllr Burles	Cllr Islam	**Cllr Goddard	**Cllr Riley	Cllr Banerjee
Bespoke Sessions							
13 Apr 23	AEW Property	✓	✓	✓	✓	n/a	No
2 May 23	Dislocation Fund and ISS	✓	✓	✓	✓	n/a	✓
10 May 23	LCIV Impact Investing	✓	-	-	-	-	-
12 Jul 23	LAPFF Mid-Year Conference	✓	✓	-	n/a	-	-
22 Aug 23	Pension Fund Pooling	✓	✓	✓	n/a	✓	✓
Mandatory Training (AON CIPFA Knowledge & Skills Framework)							
Introduction to the LGPS	*	*	*	*	*		-
Pension's legislation, guidance, and governance	*	*	*	*	*		*
Local governance and pensions procurement and contract management	*	*	*	*	*		✓
Funding strategy and actuarial methods, and financial, accounting and audit matters	*	*	*	*	*		✓
Investments – Strategy, asset allocation, pooling, performance, and risk management	*	*	*	*	*		✓
Investments - Financial markets and products	*	*	*	*	*		✓
Pensions Administration and Communications	*	*	*	*	*		✓

*Not applicable as completed Knowledge and Skills training prior to 2023/24 either via AON or the LGA Fundamentals course.

**Cllr Goddard left Pension Committee in May 2023

**Cllr Riley joined Pension Committee in May 2023 – training to be completed.

In line with the expected requirements in the new Single Code and Good Governance Framework, there will be a specific requirement for the Pension Committee, Board, and officers to undertake the appropriate training needed to fulfil their obligations.

As noted in the workplan and Governance Update, officers, along with the Independent Adviser, will develop a training plan and update the Training Policy to incorporate specific items in relation to the expected requirements.

Scheme Pays Policy

The Scheme Pays Policy provides information to members regarding pension contribution annual allowances and the ability or mandatory rights to utilise 'scheme pays' where the fund settles tax sums due to HMRC which are then offset against future pension payments.

The update reflects a triennial refresh with no fundamental changes to the policy.

Governance Policy

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.

This review provides a general update with major changes including revised constitutions for the Pension Committee and Pension Board as well as the addition of the Pension Sub-Group. The other main change is the updated presentation of the London CIV structure.

Administration Strategy

The 2023 annual return process and subsequent benchmarking exercise highlighted a number of data and performance issues with employers within the fund. This resulted in lengthy data quality due diligence processes and considerable resource allocation by Hillingdon and Hampshire Pensions Services.

The follow-up communications with delinquent employers not only offered further support and training but also highlighted that levies may be raised against employers where they failed to act in accordance with the deadlines set out in the administration strategy.

Following a review of the Hampshire Pension Services Administration Strategy, Hillingdon has taken the opportunity to refresh its own strategy, including the alignment of performance requirements and fees associated with non-compliance.

The Pension Board has reviewed the annual return benchmarking results and endorses the updated amendments in the strategy to help drive better performance and annual return data quality.

Committee is asked to approve the draft strategy for a one-month employer consultation. The consultation responses along with the final strategy will be brought to March 2024 Pension Committee for final approval.

Training Policy & Online Self-Assessment

In line with the triennial policy review and governance review presented at the September Committee meeting, the Training Policy has been updated with revised requirements.

Further to this the governance review and the internal audit recommendations the need for a Pension Committee Member self-assessment exercise is required.

Hymans Robertson provide an online facility based on the CIPFA Knowledge and Skills Framework which will assess Committee and Board members to assist in identifying key areas of training focus and will lead into further development of the training plan.

Committee are asked to approve procurement of the facility which will cost £3,500 for 10 users.

FINANCIAL IMPLICATIONS

Continued training will incur fees dependant on the platform and events attended.

LEGAL IMPLICATIONS

The legal implications included within the body of the report.