



HILLINGDON
LONDON



Pensions Committee

Date: WEDNESDAY 25
SEPTEMBER 2024

Time: 5.00 PM

Venue: COMMITTEE ROOM 5 -
CIVIC CENTRE

**Meeting
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to attend and observe the meeting.

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To Members of the Committee:

Reeta Chamdal (Chair)
Kaushik Banerjee (Vice-Chair)
John Riley
Stuart Mathers
Tony Burles

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Agenda

CHAIRMAN'S ANNOUNCEMENTS

- 1 Apologies for Absence
- 2 Declarations of Interest in matters coming before this meeting
- 3 Minutes of the meeting - 5 June 2024 1 - 6
- 4 To confirm that items marked Part I will be considered in public and those marked Part II will be considered in private

PART I - Members, Public and Press

- 5 Administration Report 7 - 8
- 6 Investment Strategy and Fund Manager Performance - Part I 9 - 30
- 7 Responsible Investment 31 - 38
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PART II - Members Only

That the reports in Part 2 of this agenda be declared not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended), in that they contain exempt information and that the public interest in withholding the information outweighs the public interest in disclosing it.

- 10 Investment Part II - Strategy review and manager updates 181 - 240
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Minutes

PENSIONS COMMITTEE

5 June 2024



Meeting held at Committee Room 5 - Civic Centre

	<p>Committee Members Present: Councillors Reeta Chamdal (Chair), Stuart Mathers, Tony Burles and Phillip Corthorne in place of Kaushik Banerjee</p> <p>LBH Officers Present: Tunde Adekoya, Finance Manager – Pensions & Governance Andy Evans, Corporate Director of Finance and Section 151 Officer James Lake, Director of Pensions, Treasury & Statutory Accounts Anisha Teji, Senior Democratic Services Officer Karl Pereira, Trainee Pension Fund Accountant Jack Francis-Kent – Pension Board</p> <p>Also Present: Marian George, New Independent Adviser Andy Lowe, Hampshire County Council Andrew Singh, Isio</p>
61.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence were received from Cllr Kaushik Banerjee with Cllr Philip Corthorne substituting.</p>
62.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>Councillor Philip Corthorne declared a Non-Pecuniary interest in agenda items 5 – 12 because he was a deferred member of the Local Government Pension Scheme. He remained in the room during discussion of the items.</p>
63.	<p>MINUTES OF THE MEETING 26 MARCH 2024 AND 9 MAY 2024 (<i>Agenda Item 3</i>)</p> <p>RESOLVED: That the minutes of the meetings dated 26 March 2024 and 9 May 2024 be agreed as an accurate record.</p>
64.	<p>TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 4</i>)</p> <p>It was confirmed that agenda items 5 – 10 were marked Part I and would be considered in public while agenda items 11 – 12 were marked Part II and would be considered in private.</p>
65.	<p>ADMINISTRATION REPORT (<i>Agenda Item 5</i>)</p>

The Director of Pensions, Treasury & Statutory Accounts, introduced the Administration Report which updated the Committee on pensions administration activities and the performance of the administration providers against the agreed indicators. The report also provided an update on regulatory and governance matters relating to the pension fund and compliance with the Pensions Regulatory Code of Practice 14.

It was noted that this report had been presented to the Pensions Board in May 2024.

The Committee heard that the partnership between Hillingdon and Hampshire County Council (Hampshire) was successful, with effective collaboration and a positive working relationship. The Corporate Director of Finance for both Hillingdon and Hampshire met with officers to discuss and evaluate the performance of the partnership over the year. Hampshire was considered to be an extension of the team and service delivery had been excellent, particularly in the realm of cybersecurity.

It was noted that the pension dashboard preparation work received positive feedback in the annual report, highlighting the strong relationship and service received from Hampshire. New starters and pensioners at Hillingdon were encouraged to register online, leading to a natural increase in portal registrations. It was reported that some existing pensioners had either not registered for the portal or had chosen paper communications. Efforts to get more members signed up to the portal will continue including staff emails, the chief executive's newsletter, and direct outreach by the Finance team. In order to improve sign up, Members agreed that exploring other communication channels through could be beneficial.

It was confirmed that pension fund members would receive annual benefit statements in August, encouraging them to sign up for the portal.

It was highlighted to the Committee that Hampshire actively participated in benchmarking exercises and ways to improve customer service. Progress against backlog cases was evident and joint actions were being taken to address remaining issues.

In comparison to previous providers, Members were encouraged with the partnership with Hampshire and thanked officers for the continued work and consistency.

RESOLVED: That the Pensions Committee noted the Administration update.

66. **DRAFT 2023/24 EXTERNAL AUDIT REPORT AND 2024/25 AUDIT PLAN** (*Agenda Item 6*)

The Director of Pensions, Treasury & Statutory Accounts introduced the External Audit Update, which covered both the 2022/23 Pension Fund Audit Results Report and the 2023/24 EY Audit Plan LBH Pension Fund.

The report was presented at the Audit Committee meeting in April 2024 as it had governance oversight. Since the issue of the report to the Audit Committee, it was noted that the two outstanding areas had now progressed. A brief overview of public sector audits was provided and it was explained that there was a national backlog with many audits outstanding and a plan was out of consultation. Officers were working with EY on the outcomes of the consultation and how this could be progressed.

The Committee heard that the 2023/24 audit plan sets out material materiality, limits and areas of audit focus which were not materially different from last year. The audit timetable aimed to audits completed by the end of November 24.

RESOLVED: That the Committee noted the External Audit Update Report.

67. **INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE - PART I**
(Agenda Item 7)

Officers presented the Investment Strategy and Fund Manager Performance update.

In terms of the Funding Update, it was confirmed that an interim funding level update had been produced by the actuary on 31 March 2024. It had shown funds' assets were £1,357m and equated funding level of 114%, an increase of 7% from the previous quarter. The primary reason for the improved funding level was due to an increase in discount rate from 5.8% (December) up to 6.1% (March 24).

With regard to the Fund Performance, the Committee was advised that, over the last quarter to 31 March 2024, the Fund had outperformed the benchmark return by 0.07%. The Fund value had also increased over the quarter by £109m, up to £1,357m, in part due to £45.2m received from HCUC after finalisation of its merger with Richmond College.

In response to Member clarifications regarding performance management, it was explained that in the context of performance management, the term "wound down" referred to the process of gradually reducing investments. When funds were allocated to private market investments (such as infrastructure or private debt), they were initially invested. However, it was highlighted that over time, as these investments generated returns, the funds were paid back. As a result, the overall investment size decreased. Members were advised that if there was an initial allocation of £50 million, it would gradually decrease as profits were released and assets were sold. It was noted that when an investment was "wound down," it usually meant that the fund allocation had been repaid, leaving only a few remaining assets to manage.

It terms of the London CIV, it was noted that the position had now changed in a positive manner and the outlook was more client focused, with an improvement in governance and ESG. It was agreed that the approach to the London CIV of collaborative partnership working was the best way forward as there was more likelihood of getting more from the pool rather than some funds that were less collaborative.

In relation to pooling, the Committee was informed that the focus was on maximising performance and cost-effectiveness in the investment journey. Pooling was encouraged to reduce costs and take advantage of added extras, such as free environmental reporting. There was more engagement in underperforming funds, emphasising the need for refined processes and improved access to information. Members heard that there was a commitment by all those involved to achieve performance gains and operational efficiencies.

During Member discussions it was noted that the funding level had significantly improved, rising from 87% during the last formal strategy review to 114%. This positive change was driven by favourable market conditions, including strong performance in equities and growth assets. Additionally, higher interest rates had led to a decrease in

	<p>liabilities, further contributing to the improved funding condition.</p> <p>Members were advised that Communication with the pool had become more effective, with a two-way exchange of information. Regular updates and engagement with the CEO had enhanced communication channels.</p> <p>RESOLVED: That the Pensions Committee noted the funding and performance update.</p>
68.	<p>RESPONSIBLE INVESTMENT (<i>Agenda Item 8</i>)</p> <p>The Director of Pensions, Treasury and Statutory Accounts introduced the item on the Responsible Investments Update. The report provided information on how managers entrusted with the investing Pension Fund assets were implementing their Environmental, Social and Governance (ESG) policies and demonstrated their commitment to ensuring it was a cogent part of their investment process. It was noted that the ESG criteria helped to better determine the future financial performance of companies.</p> <p>The Committee welcomed a training session around ESG with LGIM and officers agreed further training would be arranged.</p> <p>In terms of shareholder activism, it was noted that the balance between fund managers' discretion and encouraging appropriate adjustments was crucial. The Committee had rejoined LAPFF (Local Authority Pension Fund Forum) a year ago to enhance lobbying efforts and promote ESG activism. LAPFF engaged in extensive voting and engagement activities, guided by their own governance team and partners. Fund managers, considered various information sources and votes based on what they believed was best, incorporating insights from different perspectives. Overall, the approach aimed to raise standards and foster responsible investment practices.</p> <p>RESOLVED: That that the Pensions Committee:</p> <ol style="list-style-type: none"> 1. Noted the fund managers' ESG activities and compliance efforts. 2. Noted LAPFF activities.
69.	<p>RISK REGISTER REPORT (<i>Agenda Item 9</i>)</p> <p>Officers provided an update on the Risk Register report noting that there were 14 risks with no changes from the previous quarter.</p> <p>The Committee was informed that going forward the Council's new risk management system JCAD would be used as this provided a more interactive platform to manage and monitor risks. Officers welcomed the system as risks could be tolerated and retired whilst still being maintained in the background. Applying this approach, some risks (such as pensioners living longer) could be retired or tolerated due to mechanisms in place for risk management. It was noted that reporting in September would highlight retired risks for discussion and ensure alignment on risk management approaches. Officers highlighted that positive results in relation to employer administration performance and timely information delivery demonstrated effective risk management efforts.</p>

	<p>In response to Member questions around asset allocation, it was noted that the transition between asset allocations and the retirement of certain funds did not significantly impact liquidity. While the risks were still monitored, ensuring sufficient funds to pay pensions remained a priority but was a day-to-day business as usual activity. Members heard that the majority of risks could be managed in the background, with control measures in place. The focus was on maintaining stability during changes without compromising pension payments.</p> <p>In terms of revaluation cycle and investment financing, it was explained that there was a 2022 valuation and the strategy had been in place from 2023. The new contribution rates were from April 2023. The strategy had been agreed and was in the process of being implemented.</p> <p>Officers responded to questions around succession planning and noted that the Council had a small specialist team. However, work was being done to train colleagues in pension fund accounting and technical pensions aspects. Risks were being addressed as best as possible with the limited available resources.</p> <p>RESOLVED: That the Pensions Committee considered the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.</p>
70.	<p>GOVERNANCE (<i>Agenda Item 10</i>)</p> <p>The Committee considered the Governance report which included the work plan and governance updates. The work plan outlined future discussion items.</p> <p>It was noted that following the knowledge and skills assessment, gaps and areas for further training could be identified. It was reported that Councillor Tony Burles had confirmed revisiting Aeon sessions following the assessment, but other Members (except the chair) needed to provide updates. It was noted that Councillor John Riley had not yet completed the initial run-through of induction training sessions.</p> <p>As the Committee now included named substitutes, it was questioned whether substitutes should participate in training activities. Officers confirmed that ideally all substitutes should receive training and it was agreed that that induction training would be sent to all substitutes. The Committee considered that it was essential for substitutes to also receive adequate training in specialised areas.</p> <p>Members noted the dates of upcoming Pension Committee meetings.</p> <p>RESOLVED: That the Pensions Committee:</p> <ol style="list-style-type: none"> 1. Noted the dates for Pensions Committee meetings. 2. Made suggestions for future agenda items, working practices and / or reviews. 3. Noted the Committee’s Continuous Professional Development update. 4. Noted general governance issues.
71.	<p>INVESTMENT PART II - STRATEGY REVIEW AND MANAGER UPDATES - INCLUDING INVESTMENT STRATEGY STATEMENT (<i>Agenda Item 11</i>)</p> <p><i>This item was discussed as a Part II item without the press or public present as the</i></p>

	<p><i>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 Director of Pensions, Treasury and Statutory Accounts presented the Part II Investment update. Members discussed the Hillingdon Investment Strategy, LCIV Active Global Equity Value Fund, Property Divestment and Investment Allocations. Members heard about Notable Manager updates and Performance Reporting.</p> <p>RESOLVED: That the Pensions Committee noted the manager updates and the current asset allocation.</p>
72.	<p>2023/24 BUDGET OUTTURN AND 2024/25 BUSINESS PLAN AND BUDGET <i>(Agenda Item 12)</i></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 Committee considered the report which provided the outturn position against 2023/24 Pension Fund expense budget and sets out the 2024/25 Business Plan and budget.</p> <p>Members discussed Investment Management, Administration and Governance and Oversight. The Committee also considered the business plan and proposed 2024/25 budget for the pension fund.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the Pensions Committee noted the 2023/204 Pension Fund Budget Outturn. 2. That the Pension Committee approved for publication the proposed Business Plan and agreed the 2024/25 budget.
	<p>The meeting, which commenced at 5.00 pm, closed at 6.45 pm.</p>

These are the minutes of the above meeting. For more information on any of the resolutions please contact Anisha Teji on ateji@hillington.gov.uk or 01895277655. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

Pensions Administration & Performance	Item 5
<i>Committee</i>	Pensions Committee
<i>Contact Officers</i>	Tunde Adekoya – Finance
<i>Papers with this report</i>	Hampshire Administration Report June 2024 – on shared drive

REASON FOR ITEM

The provision of administration services for the Hillingdon Pension Fund is delivered in partnership with Hampshire County Council (HCC) through Hampshire Pension Service (HPS) under a section 101 agreement. The agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards.

The purpose of this report is to update the Pensions Committee on pensions administration activities and the performance of the administration provider against the agreed indicators.

RECOMMENDATIONS

1. That the Pensions Committee note the administration update

INFORMATION

Pensions administration services are provided by Hampshire County Council (HCC) under a section 101 agreement.

The attached report provides an update of HCC's performance as of June 2024. Historic monthly reports are included in the member shared drive.

Past key performance indicators show 100% against all indicators, for each month since the October 2021 inception.

Member portal registrations continue to improve month-on-month and as of 30 June 2024 show 44.52%, which is ahead of the exiting SCC position of 30.95%

Inherited backlog cases continue to be cleared with total cases reducing from 4,158 at inception, to 524 as of 30 June 2024.

Other key updates include:

- Cyber Security: Penetration testing of UPM, the member portal and Employer Hub were completed by Intertek in June 2024 which identified one high vulnerability which was raised with Civica. A resolution is expected before the completion of penetration testing in early December, and as with previous High

Classification: Public
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vulnerabilities, UPM is still protected by Hampshire County Council's security monitoring.

- Active Benefit statements production process for 2024 is under way and the table below details timeline and key milestones, culminating in the production of the benefit statements.

Completed/Due	Task
30/06/2024	Employer Services to complete upload of Annual Returns (AR); assuming all data received from, and queries answered by employers.
30/06/2024	CARE pension revaluation for Active members (to be run per employer, after AR upload)
15/07/2024	Valuation extracts produced and uploaded to Hymans' portal.
31/07/2024	Deferred Benefit Statements (DBS) to be produced.
31/08/2024	Supplementary Pensions Increase calculated and paid.
31/08/2024	Active Benefit Statements (ABS) to be produced.
05/10/2024	Latest date Pensions Savings Statements sent – will be produced for each employer as ABS have been completed.
31/10/2024	Latest date e-comms sent to members with benefit statement available on Member Portal.
30/11/2024	Life Certificates issued to Overseas Pensioners.
30/11/2024	TPR Scheme Return (expecting TPR to return to November deadline this year)
30/11/2024	Active and Deferred member newsletters.

- On 17 June 2024, DLUHC issued final McCloud implementation statutory guidance, which covered data collection and verification; identifying members in scope; qualifying scenarios; and case prioritisation. HPS are currently working through the guidance and are confident of completing all retrospective amendments by 31 August 2025 deadline.
- Automatic email acknowledgements are now in place for all forms being submitted and details changed via the Member Portal – this provides reassurance to the member that submitted forms or updates from them have been received and should reduce calls to Customer Service Team asking for confirmation.

FINANCIAL IMPLICATIONS

Financial implications are included in the body of the report.

LEGAL IMPLICATIONS

Legal implications have been included in the body of the report.

INVESTMENT STRATEGY and FUND MANAGER PERFORMANCE (Part I)	ITEM 6
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Committee	Pensions Committee
Officer Reporting	Babatunde Adekoya, Finance
Papers with this report	LCIV Executive Summary 30 June 2024 Hymans Interim Valuation Report 30 June 2024 NT performance report on shared drive LCIV Performance reporting on shared drive

HEADLINES

The Fund officers and LCIV team have been working collaboratively for over six months in terms of developing an 'easy to digest', dashboard executive summary which draws out highlights of the performance and funding position as well as providing an easy access format for additional investment related information and statistics.

Attached is the report for quarter ending 30 June 2024 for review and comment.

RECOMMENDATIONS

It is recommended that Pensions Committee:

- 1. Note the funding and performance update.**

FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report.
The executive summary report is provided by LCIV without charge.

LEGAL IMPLICATIONS

There are no legal implications in the report.

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Quarterly Executive Summary for Hillingdon LGPS

31 March 2024 - 30 June 2024

1 Long-term funding strategy

▲ 120%
The Funding level increased by 11% vs 31 Mar 2024

▲ £1.34bn
The surplus increased by £105m vs 31 Mar 2024

2 Market Value

▲ 1.38bn
Value of Hillingdon at 30 June 2024

▲ 1.63%
The Fund's market value increased by 1.63% during Q2 2024

3 Investment Performance

▲ 2.0%
The Fund returned 2.0% in Q2 2024

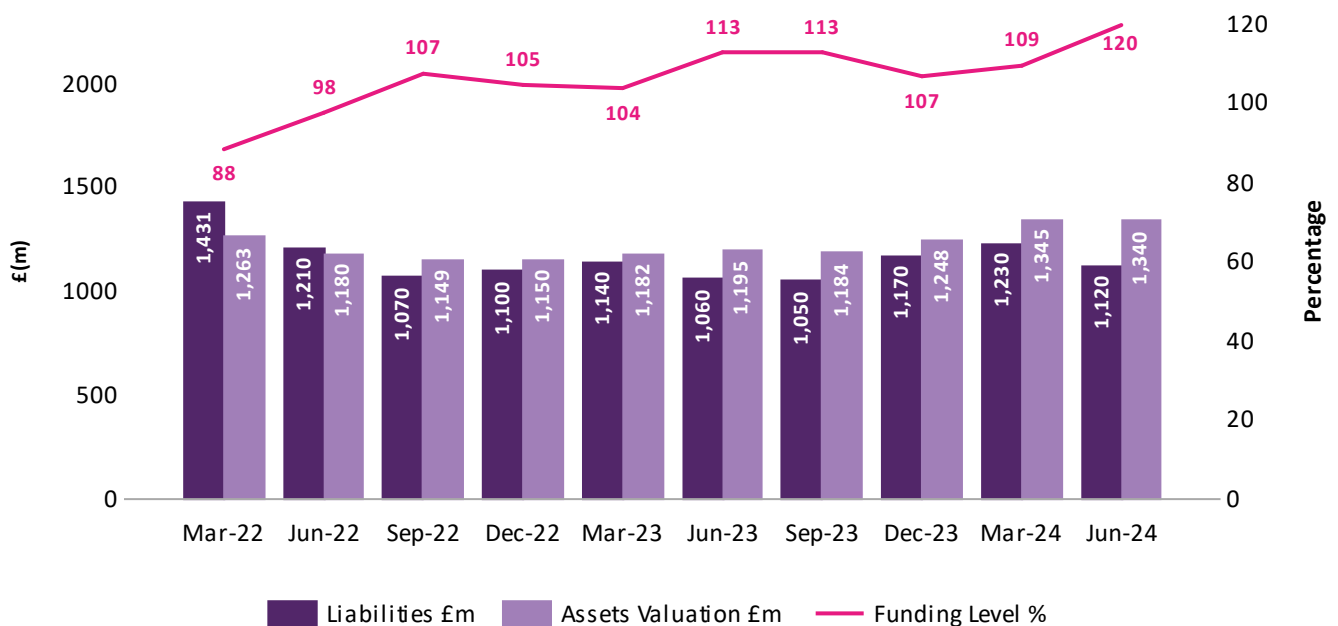
▼ (0.2)%
The Fund underperformed its benchmark by (0.2)% in Q2 2024

Assumptions to calculate liabilities	31 Mar 2022	30 Jun 2024
Funding basis	Ongoing	Ongoing
Discount rate (%p.a.)	4.1	6.3
Pension increases (%p.a.)	2.7	2.3

- Salary increases are assumed to be 0.5% above pension increases, plus an additional promotional salary scale.
- Discount rate methodology: Expected returns on the entire strategy over 20 years with a 70% likelihood.
- Pension increase methodology: Expected CPI inflation over 20 years with a 50% likelihood.

Source: Actuarial data provided by Hillingdon LGPS.

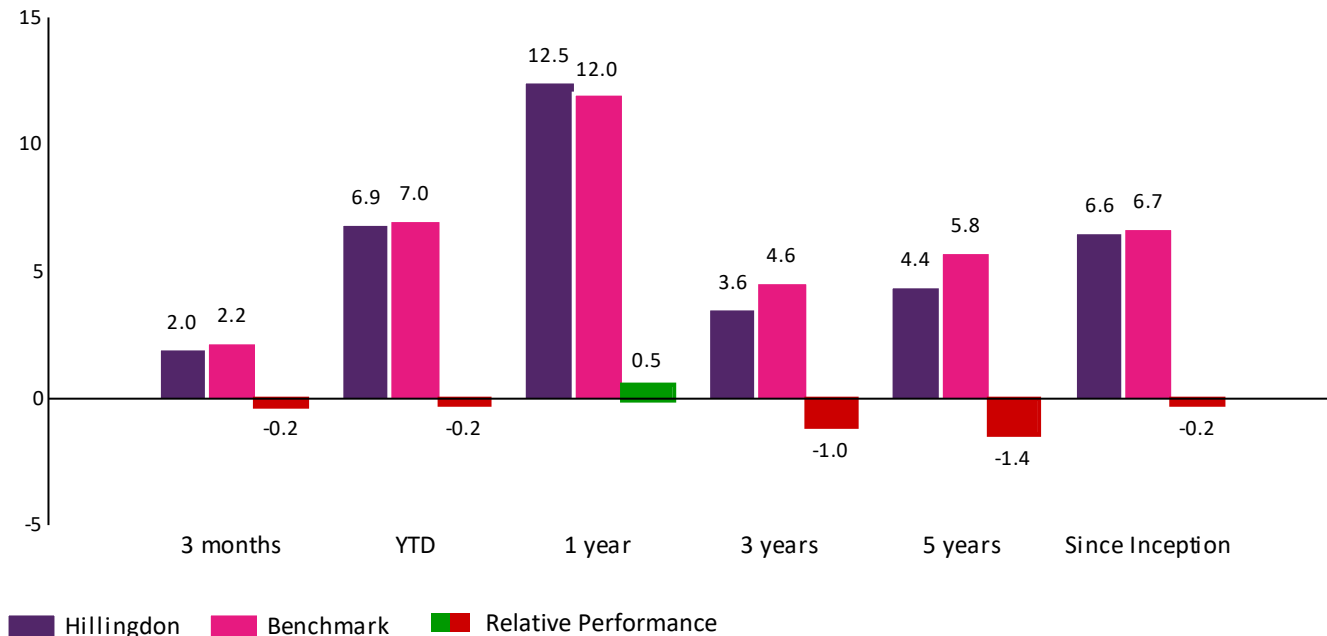
Funding Level By Progression



Source: Actuarial data provided by Hillingdon LGPS.

Performance

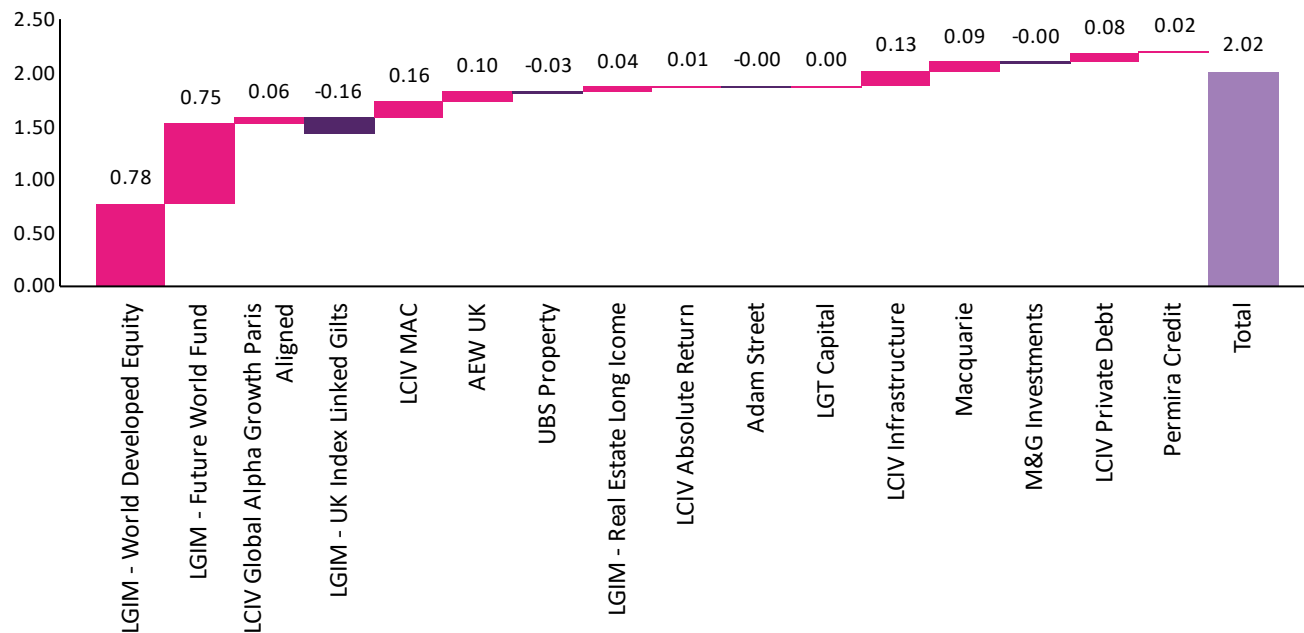
By Pension Fund vs Benchmark



Pension Fund returns are presented gross of fees.
Source: Northern Trust.

Performance for the quarter

By Manager



Manager returns are presented gross of fees.
Source: Northern Trust.

Commentary

The second quarter was marked by pivotal elections and important developments in upcoming ballots. The pre and post-election environment was stable in the UK, with no signs of a 'Truss moment' at the time of writing. However, the threat of a lurch to the right, followed by a swing to the left, caused turbulence in France. This was a timely reminder, with the U.S. Presidential elections fast approaching, of the effects politics can have on market sentiment.

The performance of equity markets looks dull by recent standards. However, headline overall returns mask another outstanding quarter for a small block of companies dominated by big U.S. technology companies. NVIDIA breached the \$3 trillion barrier in market cap terms and became the most valuable listed company in the world for a short period. By the end of Q2, the MSCI World Index, which is made up of more than 1,400 stocks, had become more skewed to the fortunes of ten companies which account for almost 25% of the total value of the benchmark. The MSCI World Growth Index outperformed its Value Counterpart by 8% in Q2, and by more than 14% in the most recent 12-month period, continuing the trend of dominance by growth stocks.

At the risk of sounding like a broken record, the dynamic in equity markets is challenging for managers of active equity strategies, unless they are prepared to run highly concentrated portfolios dominated by U.S. technology companies. Stock selection for the LCIV Global Alpha Growth Paris Aligned Fund has been solid over twelve months in technology and tech-related stocks but results in financials and consumer-facing sectors have been weak.

Bond markets were influenced mainly by swings in expectations for cuts in interest rates, but with inflation decelerating, the focus has shifted to the outlook for growth, and whether central banks should ease policy to contain the risk that economies expand too slowly, or even fall into recession. Yields on developed market government bonds increased slightly during the quarter, and high yield credit continued to outperform investment grade debt. Returns from investment grade credit were dull in the second quarter. Credit spreads continued to decline, reflecting continued confidence in the outlook for borrowers and strong demand for secure income-generating assets. However, gains linked to the decline in spreads were offset by the cost of interest rate risk, or duration, in a period when yields on government debt increased. The impact of yield changes was most

pronounced in long-dated bonds. The LCIV MAC Fund captures exposure to all segments of the credit markets through investment managers offering complementary strategies. This Sub-fund benefitted most from its investments in high-yield bonds and loans and asset backed debt in Q2. The LCIV MAC Fund has gained 11.3% over 12 months, 1.3% more than the target of Sonia (30 day compounded) + 4.5%. High yield debt outperformed investment grade credit. The investment managers of the LCIV MAC Fund are performing well in terms of credit selection.

The investment manager of LCIV Absolute Return Fund remains focused on protecting the Sub-fund from downside risk in the equity and credit markets. The Sub-fund recorded a small gain in Q2 but is up only 1% over one year, and 0.1% per annum over three years. The Sub-fund has large holdings in cash and near cash instruments which the investment manager will have to redeploy effectively in periods of volatility and risk aversion to get the performance record back on track.

We have completed another in-depth review of the LCIV Absolute Return Fund. This review was brought forward because of concerns about performance. The London CIV Executive Investment Committee ('EIC') approved our recommendation to keep the Sub-fund on 'Normal Monitoring' and investors were briefed on the 11th of July. We will update the scores for the eight factors in our monitoring framework again in six months.

The monitoring status of the LCIV MAC Fund have been confirmed as 'Normal'. The investment managers are doing a good job in avoiding credit events, capturing relative value opportunities across segments of the credit markets and harvesting yield. The portfolio management team at PIMCO is well equipped to draw on expertise from across the organization. The acquisition of CQS by Manulife Financial, which closed early in Q2, has had not a meaningful impact to this point on the investment or executive teams at the firm. Investors in these funds were updated on the 10th of July.

Performance

By Breakdown












Fund / Manager	3 Months		1 Year		3 Years		Since Inception		
	Manager	Benchmark	Manager	Benchmark	Manager	Benchmark	Manager	Benchmark	Inception Date
 AEW UK	1.81	1.15	11.83	0.06	1.21	0.63	6.49	4.98	30/06/2014
 Adam Street	(0.67)	3.82	(0.70)	24.69	(2.66)	13.15	6.96	0.00	31/01/2005
 Blackstone Dislocation Fund	1.83	3.63	0.00	0.00	0.00	0.00	1.62	3.75	27/03/2024
 LCIV Absolute Return Fund	0.40	1.32	1.01	5.39	0.55	2.95	4.80	1.24	28/05/2010
 LCIV Global Alpha Growth Paris Aligned Fund	1.28	3.22	13.86	23.93	(1.97)	13.16	(0.63)	13.82	22/04/2021
 LCIV Infrastructure Fund	3.37	1.99	8.79	8.24	8.78	6.10	5.22	5.17	14/11/2019
 LCIV MAC Fund	1.70	2.34	11.29	9.75	0.00	0.00	6.62	8.79	26/05/2022
 LCIV Private Debt Fund	2.00	1.47	9.50	6.00	0.00	0.00	7.18	6.00	16/11/2021
 LGIM - Future World Fund	3.32	3.25	21.03	20.67	9.02	8.78	11.00	10.81	23/09/2020
 LGIM - Global Equities	2.90	3.35	19.89	20.46	7.68	7.88	9.56	9.72	31/10/2016
 LGIM - LPI Income Property	1.18	1.12	(0.81)	2.90	(2.44)	8.41	(1.37)	6.76	11/03/2020
 LGIM - UK ILG	(2.09)	(2.09)	(0.40)	(0.38)	(11.56)	(11.55)	(2.14)	(2.01)	22/02/2017
 LGT	1.15	3.82	7.08	24.69	2.63	13.15	10.18	0.00	31/05/2004
 M&G Investments	(5.71)	2.23	(21.34)	9.25	12.46	7.11	3.70	5.20	31/05/2010
 Macquarie	8.21	1.99	14.59	8.24	22.19	6.10	10.23	4.21	30/09/2010
 Permira	1.44	2.23	12.82	9.25	8.69	7.11	7.69	5.41	30/11/2014
 UBS Property	(0.53)	1.15	(2.24)	0.06	0.82	0.63	3.24	3.29	31/03/2006

Manager returns are presented gross of fees.

Source: Northern Trust.

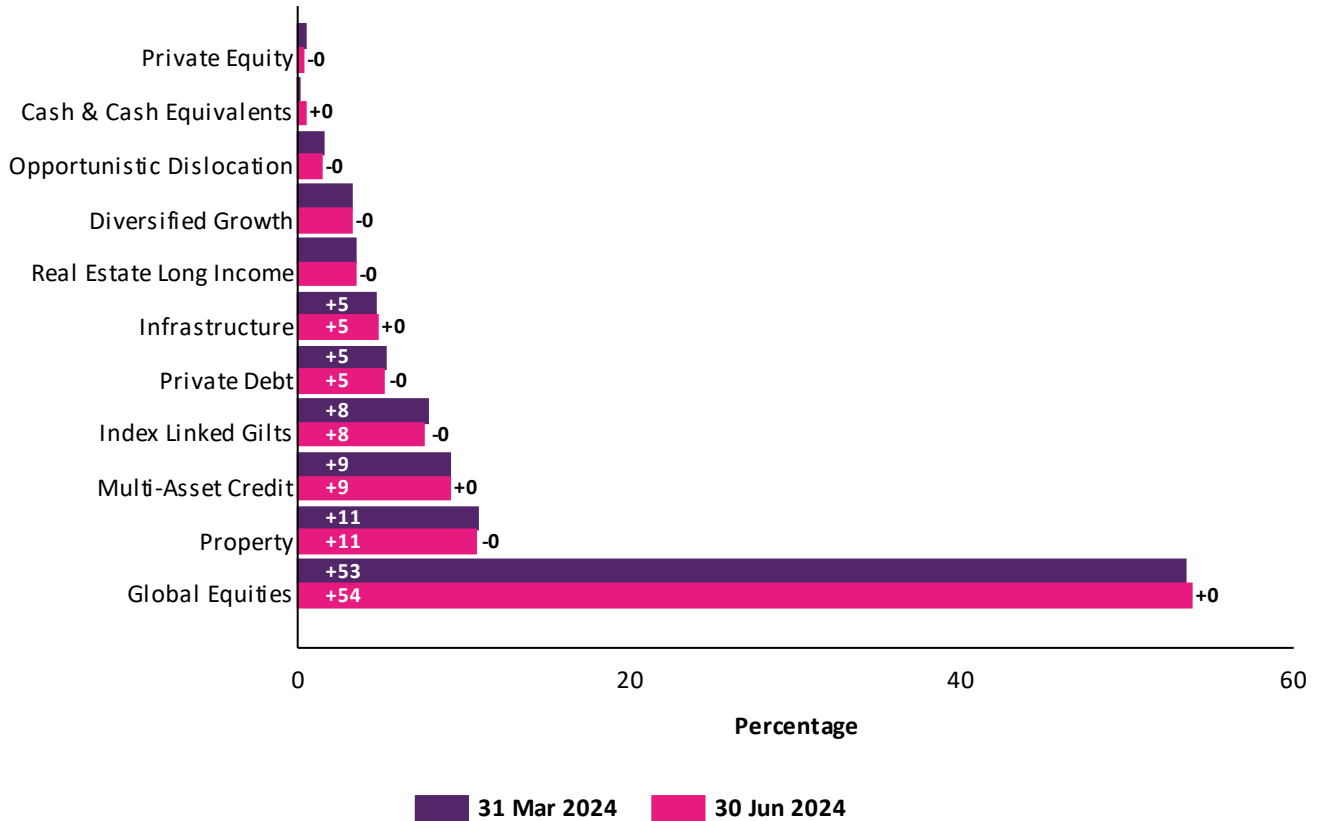
Actual Asset Allocation

By Asset Class As of 30 June 2024

Asset Class	%
 Global Equities	54
 Property	11
 Multi-Asset Credit	9
 Index Linked Gilts	8
 Private Debt	5
 Infrastructure	5
 Real Estate Long Income	3
 Diversified Growth	3
 Opportunistic Dislocation	1
 Cash & Cash Equivalents	0
 Private Equity	0

Asset Allocation

By Quarterly Weight Change



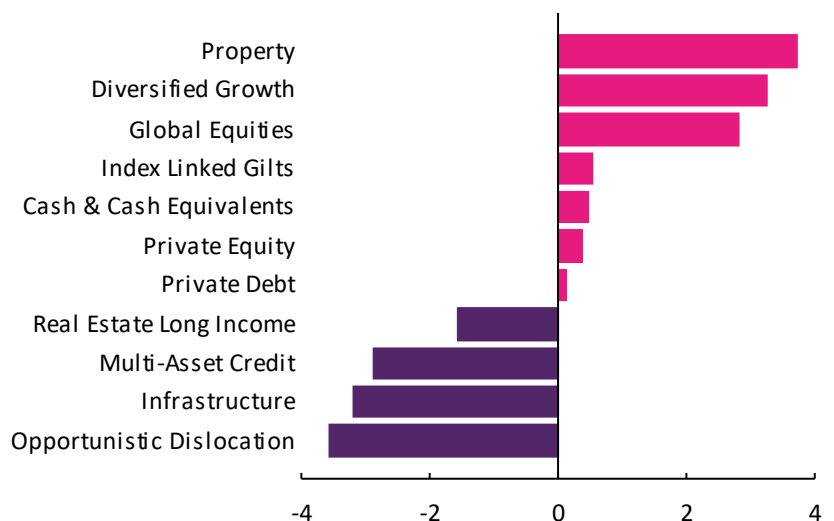
Source: Northern Trust and Hillingdon LGPS.

Actual Asset Allocation

vs Target Allocation by Asset Class As of 30 June 2024

Asset Class	Target 31 Dec 2023	Actual 30 Jun 2024	Alloc. vs Target
Property	7%	11%	+4%
Diversified Growth	0%	3%	+3%
Global Equities	51%	54%	+3%
Index Linked Gilts	7%	8%	+1%
Cash & Cash Equivalents	0%	0%	+0%
Private Equity	0%	0%	+0%
Private Debt	5%	5%	+0%
Real Estate Long Income	5%	3%	-2%
Multi-Asset Credit	12%	9%	-3%
Infrastructure	8%	5%	-3%
Opportunistic Dislocation	5%	1%	-4%

Source: Northern Trust and Hillingdon LGPS.



Source: Northern Trust and Hillingdon LGPS.

Asset Allocation

By Market Value

Asset Class	Market Value 31 March 2024 (£'000)	Net contribution* (£'000)	Income (£'000)	Fees (£'000)	Appreciation (£'000)	Market Value 30 June 2024 (£'000)
Global Equities	725,899	(5,040)	42	40	21,051	741,953
Property	147,409	(816)	1,162	18	(242)	147,513
Multi-Asset Credit	123,740	0	-	-	2,099	125,839
Index Linked Gilts	106,056	(1)	-	1	(2,220)	103,835
Private Debt	72,433	(2,941)	107	-	1,166	70,764
Infrastructure	63,549	(198)	247	-	2,560	66,157
Real Estate Long Income	46,638	-	-	-	552	47,190
Diversified Growth	44,559	-	-	-	178	44,737
Opportunistic Dislocation	20,244	(1,003)	1	-	353	19,595
Cash & Cash Equivalents	1,243	5,147	99	-	(0)	6,489
Private Equity	5,446	(207)	-	-	(3)	5,236
Total	1,357,216					1,379,310


Source: Northern Trust


* Net contributions include cash contributions/distributions, securities/receipts, fee/fee rebates, inter account transfers for consolidations and benefit payments. Copied history of backloaded data may not display the correct contributions/withdrawals creating misrepresentation.

Assessment Framework

As of 30 June 2024

Asset Class	LCIV Global Alpha Growth Paris Aligned Fund	LCIV Absolute Return Fund	LCIV Infrastructure Fund	LCIV Private Debt Fund	LCIV Private Debt Fund
Manager	Baillie Gifford	Ruffer	Stepstone	Churchill	Pemberton
Performance	Enhanced Monitoring	Enhanced Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring
Resourcing	Normal Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring	Enhanced Monitoring
Process / Strategy	Normal Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring
Responsible Investment & Engagement	Normal Monitoring	Normal Monitoring	Normal Monitoring	Enhanced Monitoring	Normal Monitoring
Business Risk	Normal Monitoring	Enhanced Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring
Risk Management & Compliance	Normal Monitoring	Enhanced Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring
Cost Transparency / Value for Money	Enhanced Monitoring	Enhanced Monitoring	Enhanced Monitoring	Normal Monitoring	Normal Monitoring
Best Execution / Liquidity / Deployment	Normal Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring	Normal Monitoring
Monitoring Status	Normal	Normal	Normal	Normal	Normal

 Normal Monitoring

 Enhanced Monitoring

 Watch List

Source: London CIV.

Appendix

Asset Allocation

Asset Class / Fund Manager	Market Value (31 March 2024) £'000	Net Contributions £'000	Income £'000	Fees £'000	Appreciation £'000	Market Value (30 June 2024) £'000	Weight (31 March 2024)	Weight (30 June 2024)	Change in weight	Target Allocation (31 Dec 2023)	Allocation vs Target
Global Equities	725,899	(5,040)	42	40	21,051	741,953	53%	54%	0.31%	51%	3%
LGIM - Global Equities (Hillingdon)	359,667	(20)	-	20	10,421	370,068	27%	27%	0.33%		
LGIM - Future World Fund (Hillingdon)	304,306	(5,020)	-	20	9,877	309,163	22%	22%	-0.01%		
LCIV Global Alpha Growth Paris Aligned Fund	61,926	-	42	-	753	62,721	5%	5%	-0.02%		
Index Linked Gilts	106,056	(1)	-	1	(2,220)	103,835	8%	8%	-0.29%	7%	1%
LGIM - UK ILG (Hillingdon)	106,056	(1)	-	1	(2,220)	103,835	8%	8%	-0.29%		
Multi-Asset Credit	123,740	0	-	-	2,099	125,839	9%	9%	0.01%	12%	-3%
LCIV MAC Fund (Hillingdon)	123,740	0	-	-	2,099	125,839	9%	9%	0.01%		
Property	147,409	(816)	1,162	18	(242)	147,513	11%	11%	-0.17%	7%	4%
UBS Property (Hillingdon)	74,891	(607)	734	18	(1,127)	73,892	6%	5%	-0.16%		
AEW UK (Hillingdon)	72,518	(209)	428	-	885	73,622	5%	5%	-0.01%		
Real Estate Long Income	46,638	-	-	-	552	47,190	3%	3%	-0.02%	5%	-2%
LGIM - LPI Income Property (Hillingdon)	46,638	-	-	-	552	47,190	3%	3%	-0.02%		
Diversified Growth	44,559	-	-	-	178	44,737	3%	3%	-0.04%	0%	3%
LCIV Absolute Return Fund (Hillingdon)	44,559	-	-	-	178	44,737	3%	3%	-0.04%		
Private Equity	5,446	(207)	-	-	(3)	5,236	0%	0%	-0.02%	0%	0%
Adam Street (Hillingdon)	3,735	(64)	-	-	(25)	3,646	0%	0%	-0.01%		
LGT (Hillingdon)	1,711	(143)	-	-	22	1,590	0%	0%	-0.01%		
Infrastructure	63,549	(198)	247	-	2,560	66,157	5%	5%	0.11%	8%	-3%
LCIV Infrastructure Fund (Hillingdon)	49,716	(198)	198	-	1,473	51,189	4%	4%	0.05%		
Macquarie (Hillingdon)	13,833	(0)	49	-	1,086	14,968	1%	1%	0.07%		
Private Debt	72,433	(2,941)	107	-	1,166	70,764	5%	5%	-0.21%	5%	0%
M&G Investments (Hillingdon)	488	(214)	0	-	(28)	246	0%	0%	-0.02%		
LCIV Private Debt Fund (Hillingdon)	54,689	-	-	-	1,091	55,780	4%	4%	0.01%		
Permira (Hillingdon)	17,256	(2,727)	106	-	103	14,738	1%	1%	-0.20%		

Asset Class / Fund Manager	Market Value (31 March 2024) £'000	Net Contributions £'000	Income £'000	Fees £'000	Appreciation £'000	Market Value (30 June 2024) £'000	Weight (31 March 2024)	Weight (30 June 2024)	Change in weight	Target Allocation (31 Dec 2023)	Allocation vs Target
Cash & Cash Equivalents	1,243	5,147	99	-	(0)	6,489	0%	0%	0.38%	0%	0%
Non-custody (Hillingdon)	1,243	5,147	99	-	(0)	6,489	0%	0%	0.38%		
Opportunistic Dislocation	20,244	(1,003)	1	-	353	19,595	1%	1%	-0.07%	5%	-4%
Blackstone Dislocation Fund (Hillingdon)	20,244	(1,003)	1	-	353	19,595	1%	1%	-0.07%		
Total	1,357,216			58,903		1,379,310	100%	100%			

Source: Northern Trust.

Disclaimer

Important information

London LGPS CIV, Fourth Floor, 22 Lavington Steet, London, SE1 0NZ

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About London CIV

London LGPS CIV Limited ('London CIV'), established in 2015 by London Local Authorities manages London Local Government Pension Scheme ('LGPS') assets. London CIV is one of eight U.K. LGPS asset pooling companies. The London Boroughs and City of London who are the 32 Shareholders, are also our clients ('Partner Funds').



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London Borough of Hillingdon Pension Fund

Funding update report at 30 June 2024

This report is addressed to the Administering Authority of the London Borough of Hillingdon Pension Fund. This document should be read in conjunction with the fund's current Funding Strategy Statement.

The purpose of this report is to provide the funding position of the London Borough of Hillingdon Pension Fund as at 30 June 2024 and show how it has changed since the previous valuation at 31 March 2022. This report has not been prepared for use for any other purpose and should not be so used. The report should not be disclosed to any third party except as required by law or regulatory obligation or with our prior written consent. Hymans Robertson LLP accept no liability where the report is used by or disclosed to a third party unless such liability has been expressly accepted in writing. Where permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses the advice and the basis on which it is given.

The figures presented in this report are prepared only for the purposes of providing an illustrative funding position and have no validity in other circumstances. In particular, they are not designed to meet regulatory requirements for valuations and do not constitute an 'indicative actuarial valuation' under LGPS (Scotland) Regulation 61 (2A).

This report also contains the data and assumptions underlying the results and the reliances and limitations which apply to them.

1 Results

1.1 Funding position update

The table below shows the estimated funding position at 31 March 2022 and 30 June 2024.

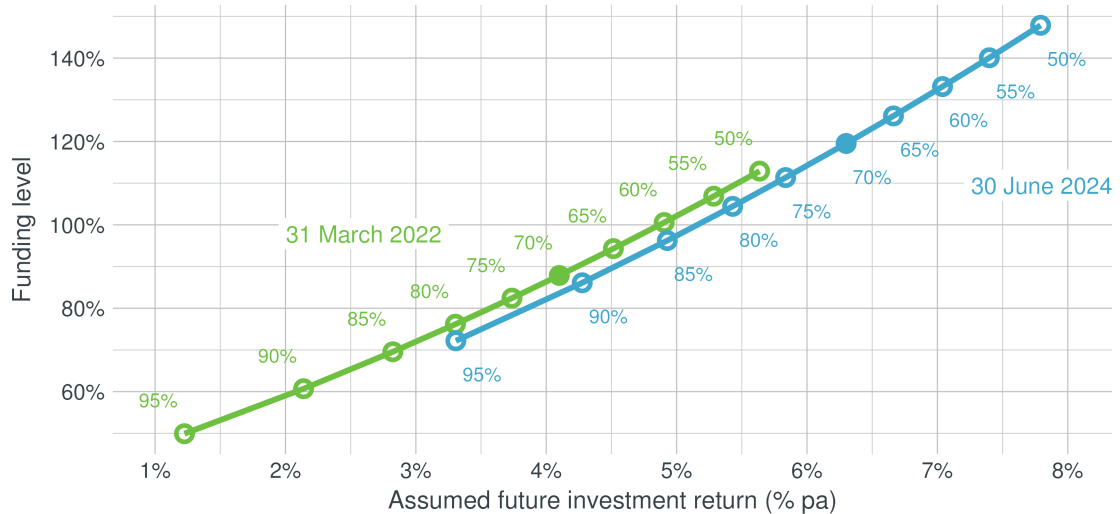
Please note that the asset value at 30 June 2024 shown in this report may differ to the actual asset value at that date because it is an estimate based on estimated cashflows (see section 3.2). However, the estimated value is consistent with the liabilities and therefore gives a more reliable estimate of the funding position than the actual asset value at the same date.

The table also shows what assumed investment return would be required at each date for the deficit to be exactly zero, along with the likelihood of the investment strategy achieving this return. An increase in this likelihood corresponds to an improvement in the funding position.

Monetary amounts in £bn	Ongoing basis	
	31 March 2022	30 June 2024
Assets	1.26	1.34
Liabilities		
– Active members	0.39	0.32
– Deferred pensioners	0.37	0.26
– Pensioners	0.67	0.54
Total liabilities	1.43	1.12
Surplus/(deficit)	(0.17)	0.22
Funding level	88%	120%
Required return assumption (% pa) for funding level to be 100%	4.9%	5.2%
Likelihood of assets achieving this return	60%	83%

1.2 Funding level range chart

The chart below shows how the funding level varies with the assumed rate of future investment returns, comparing the position at 31 March 2022 with the updated position at 30 June 2024. The percentages next to each point show the likelihood of the investment strategy achieving that return (for further details see section 3.4). The solid coloured point indicates the assumed future investment return and funding level on the Ongoing basis.



1.3 Funding level progression

The chart below shows the estimated funding level (ratio of assets to liabilities) over time between 31 March 2022 and 30 June 2024. It allows for changes in market conditions and other factors described in Appendix A. If the fund has moved to a different basis since 31 March 2022 this may give rise to step changes in the funding level on the date of the change.



2 Next steps

2.1 Understanding the results

The results at 30 June 2024 in this report are estimates based on rolling forward the fund's funding position from 31 March 2022. You should understand the methodology and limitations of this approach described in appendices A and B.

Decisions should not be based solely on these results and your Hymans Robertson LLP consultant should be contacted to discuss any appropriate action before any is taken. Please also bear in mind that the information is estimated and consider other factors beyond the funding level or surplus/deficit. These could include, but are not limited to, changes to investment strategy, membership profile and covenant strength (where relevant).

Please get in touch with your usual Hymans Robertson contact if you wish to discuss the results in this report further.

3 Data and assumptions

3.1 Membership data

The membership data underlying the figures in this report was supplied by the fund for the purpose of the valuation at 31 March 2022 and is summarised below:

31 March 2022	Number	Average age	Accrued benefit (£k pa)	Payroll (£k pa)
Active members	8,691	53.2	23,167	152,450
Deferred pensioners	12,903	53.1	20,151	
Pensioners and dependants	7,675	69.6	42,417	

Average ages are weighted by liability.

The membership is assumed to evolve over time in line with the demographic assumptions described in the Funding Strategy Statement. Please see Appendix A for details of the rollforward methodology which includes the estimated changes in membership data which have been allowed for.

3.2 Cashflows since the valuation at 31 March 2022

We have allowed for the following cashflows in estimating the assets and liabilities at 30 June 2024. Cashflows are assumed to be paid daily. Contributions are based on the estimated payroll, certified employer contributions (including any lump sum contributions) and the average employee contribution rate at 31 March 2022. Benefits paid are projections based on the membership at 31 March 2022.

Estimated cashflows (£k)	31 March 2022 to 30 June 2024
Employer contributions	94,181
Employee contributions	24,045
Benefits paid	121,412
Transfers in/(out)	0

3.3 Investment returns since the valuation at 31 March 2022

Investment returns are based on actual returns where available and index returns otherwise.

Investment strategy	Actual/index	From	To	Return
Whole fund	Actual	1 April 2022	30 June 2024	6.75%

The total investment return for the whole period is 6.75%.

3.4 Financial assumptions

The financial assumptions used to calculate the liabilities are detailed below. For further details please see the Funding Strategy Statement.

Assumption	31 March 2022	30 June 2024
Funding basis	Ongoing	Ongoing
Discount rate methodology	Expected returns on the Whole Fund strategy over 20 years with a 70% likelihood	Expected returns on the Whole Fund strategy over 20 years with a 70% likelihood
Discount rate (% pa)	4.1%	6.3%
Pension increase methodology	Expected CPI inflation over 20 years with a 50% likelihood	Expected CPI inflation over 20 years with a 50% likelihood
Pension increases (% pa)	2.7%	2.3%

Salary increases are assumed to be 0.5% pa above pension increases, plus an additional promotional salary scale.

3.5 Demographic assumptions

Demographic assumptions are set out in the Funding Strategy Statement. All demographic assumptions, including longevity assumptions, are the same as at the most recent valuation at 31 March 2022.

Life expectancies from age 65, based on the fund's membership data at 31 March 2022, are as follows. Non-pensioners are assumed to be aged 45 at that date.

Life expectancy from age 65 (years)	Ongoing basis	
	Male	Female
Pensioners	22.3	24.8
Non-pensioners	23.0	26.0

Appendix A - Technical information

A.1 Funding update methodology

The last formal valuation of the fund was carried out as at 31 March 2022. The results in this report are based on projecting the results of this valuation forward to 30 June 2024 using approximate methods. The rollforward allows for

- estimated cashflows over the period as described in section 3.2;
- investment returns over the period (estimated where appropriate) as described in section 3.3;
- changes in financial assumptions as described in section 3.4;
- estimated additional benefit accrual.

The CARE, deferred and pensioner liabilities at 30 June 2024 include a total adjustment of 11.4% to reflect the difference between actual September CPI inflation values (up to 30 September 2023) and the assumption made at 31 March 2022. The adjustment for each year's actual inflation is applied from 31 October that year, cumulative with prior years' adjustments, which may lead to step changes in the funding level progression chart.

In preparing the updated funding position at 30 June 2024 no allowance has been made for the effect of changes in the membership profile since 31 March 2022. The principal reason for this is that insufficient information is available to allow me to make any such adjustment. Significant membership movements, or any material difference between estimated inputs and actual ones, may affect the reliability of the results. The fund should consider whether any such factors mean that the rollforward approach may not be appropriate.

No allowance has been made for any early retirements or bulk transfers since 31 March 2022. There is also no allowance for any changes to Local Government Pension Scheme (LGPS) benefits except where noted in the formal valuation report or Funding Strategy Statement.

A.2 Sensitivity of results to assumptions

The results are particularly sensitive to the real discount rate assumption (the discount rate net of pension increases) and the assumptions made for future longevity.

If the real discount rate used to value the accrued liabilities was lower then the value placed on those liabilities would increase. For example, if the real discount rate at 30 June 2024 was 1.0% pa lower then the liabilities on the Ongoing basis at that date would increase by 18.0%.

In addition, the results are sensitive to unexpected changes in the rate of future longevity improvements. If life expectancies improve at a faster rate than allowed for in the assumptions then, again, a higher value would be placed on the liabilities. An increase in life expectancy of 1 year would increase the accrued liabilities by around 3-5%.

Appendix B - Reliances and limitations

The last formal valuation of the fund was carried out as at 31 March 2022 and these calculations rely upon the results of that valuation. The reliances and limitations that applied to that valuation apply equally to these results. The results of the valuation have been projected forward using approximate methods. The margin of error in these approximate methods increases as time goes by. The method may not be appropriate if there have been significant data changes since the previous formal valuation (for example redundancy exercises, significant unreduced early retirements, ill health retirements and bulk transfers). The methodology assumes that actual experience since the valuation at 31 March 2022 has been in line with our expectations.

The data used in this exercise is summarised in section 3. Data provided for the purposes of the formal valuation at 31 March 2022 was checked at the time for reasonableness and consistency with other sources. Data provided since then (eg actual investment returns) has been used as-is. The data is the responsibility of the Administering Authority and the results rely on the data.

The results in this schedule are based on calculations run on 13 August 2024 using the data set out in section 3. Any other factors coming to light after this report was prepared have not been allowed for and could affect the results. If any data has materially changed since 13 August 2024 the results could be materially different if they were recalculated.

Some financial assumptions may be based on projections from our Economic Scenario Service (ESS) model which is only calibrated at each monthend. Results between monthends use the latest available calibration, adjusted in line with the movement in market conditions. This adjustment is approximate and there may be step changes at monthend dates when a new ESS calibration is factored in.

The methodology underlying these calculations mean that the results should be treated as indicative only. The nature of the fund's investments means that the surplus or deficit identified in this report can vary significantly over short periods of time. This means that the results set out should not be taken as being applicable at any date other than the date shown.

As with all modelling, the results are dependent on the model itself, the calibration of the underlying model and the various approximations and estimations used. These processes involve an element of subjectivity and may be material depending on the context. No inferences should be drawn from these results other than those confirmed separately in writing by a consultant of Hymans Robertson LLP.

Decisions should not be based solely on these results and your Hymans Robertson LLP consultant should be contacted to discuss any appropriate action before any is taken. Hymans Robertson LLP accepts no liability if any decisions are based solely on these results or if any action is taken based solely on such results.

This report complies with the relevant Technical Actuarial Standards.

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RESPONSIBLE INVESTMENTS UPDATE

ITEM 7

Committee

Pensions Committee

Officer Reporting

Babatunde Adekoya, Finance

Papers with this report

Full manager voting - Shared drive.
 LGIM Engagement Report Q2 2024 – Shared drive
 LAPFF Engagement Report Q2 2024 – Shared drive
 LAPFF Climate Policy – Shared drive
 LCIV Engagement June 2024 – Shared drive

HEADLINES

Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies (return and risk).

The purpose of this report is to provide information on how managers entrusted with investing the Pension Fund assets are implementing their ESG policies and demonstrate their commitment to ensuring it is a cogent part of their investment process.

In addition, the report details the progress on the UK Stewardship Code project, policy updates and other relevant information.

RECOMMENDATIONS

It is recommended that Pensions Committee:

1. Note the fund managers' ESG activities and compliance efforts
2. Note LCIV & LAPFF activities

SUPPORTING INFORMATION

Voting and Engagement

Fund managers carry out proxy voting on the Pension Fund's behalf. Below is a breakdown of voting statistics by LGIM, and London CIV (Ruffer and Baillie Gifford). The London CIV itself, through Federated Hermes EOS, also exercised voting rights at 686 meetings.

Classification: Public
 Pensions Committee 25 September 2024

Fund Managers Voting Breakdown Q2, 2024						
LCIV		Meetings	Resolutions	Votes With	Against	Abstention/Non-Voting
	Jun-24					
LCIV - Ruffer		23	483	435	39	9
LCIV - Baillie Gifford		65	891	696	194	1
Eos		686	10,410	8,967	1,443	0
		774	11,784	10,098	1,676	10
	%			85.69	14.22	0.08
LGIM		Meetings	Resolutions	Votes With	Against	Abstention
	Jun-24	8,682	97,019	72,838	23,324	857
		8,682	97,019	72,838	23,324	857
	%			75.08	24.04	0.88

The volume of meetings attended, and resolutions voted on by all the fund managers shown above, encapsulates their commitment to ESG issues and demonstrates alignment of their stewardship activities with their own investment beliefs, policies, and guidelines. Through this approach, they seek to be active owners on behalf of their clients, by encouraging good governance and a high standard of corporate practices.

The voting breakdown above indicates LGIM have voted against proposed management resolutions on 24% of voting opportunities and supported resolutions on approximately 75% of occasions. The London CIV through EOS and two equities portfolio managers, Ruffer and Baillie Gifford combined to back various management resolutions on 86% of voting opportunities and about 14% against the resolutions proposed by company managements. Abstentions for LGIM and LCIV were 1% & 0.1% respectively.

Engagement

ESG factors play an increasingly important role in determining the performance of certain assets. Pension Fund asset managers, as part of their ESG commitments undertake various engagement activities in their holistic approach in making investment decisions. These activities aim to affect changes within invested companies where it is deemed necessary or to complement existing practices.

LCIV

During the quarter under review Federated Hermes (EOS) on behalf of the LCIV engaged with 351 companies on ESG issues and other objectives globally.

EOS engagement activities during the quarter under review focused on key areas such as:

- Animal testing
- Climate Transition Planning
- Voting Season Disputes

Please refer to the ESG documents on the members shared drive for detailed information about the EOS (LCIV) engagement activities.

LGIM

Holding boards to account

To be successful, companies need to have people at the helm who are well equipped to create resilient long-term growth. By voting and engaging directly with companies, LGIM encourages management to control risks while seeking to benefit from emerging opportunities. The manager aims to safeguard and enhance clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which they use extensively.

Creating sustainable value

LGIM believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. They work to ensure companies are well-positioned for sustainable growth, and to prevent market behaviour that destroys long-term value. Their investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking. The manager engages directly and collaboratively with companies to highlight key challenges and opportunities, and support strategies that seek to deliver long-term success.

Promoting market resilience

As a long-term investor for its clients, it is essential that markets (and, by extension, the companies within them) are able to generate sustainable value. In doing so, LGIM believe companies should become more resilient amid change and therefore, seek to benefit the whole market. They use their influence and scale to ensure that issues affecting the value of clients' investments are recognised and appropriately managed. This includes working with key policymakers, such as governments and regulators, and collaborating with asset owners to bring about positive change across markets as a whole.

Environment - Nippon Steel

Identify

Nippon Steel Corporation is the largest steel maker in Japan and one of the largest globally in terms of production. Traditional steelmaking processes are highly carbon intensive, and a shift to green steel will require a policy environment that supports a sufficient supply of low-carbon alternatives. Assessments undertaken by third-party data providers have demonstrated that Nippon Steel lags its peers on climate policy engagement disclosures, and in 2022 Influence Map named Nippon Steel as one of the most influential companies blocking climate policy action globally.

Engage

LGIM have been engaging with Nippon Steel for many years and specifically through its Climate Impact Pledge since early 2022, the same year in which it added the 'red line' related to climate-related lobbying. The company failed to meet this criterion, so LGIM made it the focus of its engagement with them for 2023 and expanded their engagement to work collaboratively with other investors to increase its influence. Despite several meetings with the company, the disclosures provided so far have not met LGIM expectations.

Escalate

Given the significant role that Nippon Steel Corporation has in influencing Japanese policy, as well as LGIM's intention to increase focus on demand-side engagement, it co-filed, together with the Australasian Centre for Corporate Responsibility ('ACCR'), a shareholder proposal asking the company to:

- "Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goal of carbon neutrality by 2050 and explain the actions it will take if these activities are determined to be misaligned".

Outcome

LGIM were pleased to see that the shareholder resolution achieved 27.98% support, sending a strong message to the company's board that investors expect greater transparency on climate-related policy engagement activity. This was also one of the highest levels of support recorded for a climate-related shareholder resolution in Japan. 2024 is pivotal for Japan as the country is scheduled to update its key climate and energy policies. The choices made in the very near future will determine the direction of its midterm decarbonisation strategy and the results underscore the scale of investor attention on politically influential companies like Nippon Steel. LGIM will continue engaging with the company and expect to see their board address investor expectations and enhance accountability and transparency in its efforts to influence these policies as they take shape.

Classification: Public

Pensions Committee 25 September 2024

Social – McDonalds

Identify

Antimicrobial resistance ('AMR') is the damaging effect of disease causing microorganisms (e.g. bacteria, viruses, fungi and parasites) increasing their resistance to antibiotics. AMR is one of our global systemic engagement themes. The World Health Organization (WHO) describes AMR as one of the top 10 global public health threats facing humanity today. The World Bank estimated in 2016 that AMR could result in a 3.8% loss in global GDP, an impact comparable to that of the 2008 financial crisis.

McDonald's is one of the largest beef purchasers and a major buyer of pork; LGIM believe that animal husbandry standards across their supply chain have the potential not only to mitigate AMR directly across large sections of the value chain, but also to have a 'knock-on' impact upon the food sector more broadly, on account of the company's scale and influence.

Engage

There is a history of LGIM direct engagement activities with McDonald's and they have been putting pressure on the company since 2021 to adopt stricter policies on use of antibiotics across their supply chain.

LGIM co-filed a shareholder resolution at the company in 2023, under the umbrella of the Shareholder Commons, asking McDonald's to comply with World Health Organization (WHO) guidelines on the use of medically important antimicrobials in food-producing animals throughout its supply chain. The resolution sought adherence to the WHO guidelines throughout the full supply chain, including beef, chicken and pork. This resolution gained 18% support from shareholders.

Following a lack of action by McDonald's, It co-filed the same resolution in their 2024 AGM, together with an industry peer Amundi and The Shareholder Commons. However, the 2024 resolution was subject to a 'no-action' ruling by the SEC, a mechanism by which the company is allowed to unilaterally remove proposals from its proxy statement if they are judged to have already substantially implemented the resolution demand. LGIM were disappointed by both the step taken and the decision announced, as it believes that McDonald's should be adhering to the WHO Guidelines on use of antibiotics across all the meat that they produce, not just certain types of meat.

Escalate

The Benedictine Sisters of Boerne, Texas, successfully filed their AMR-related resolution calling upon the company to adopt an enterprise-wide policy to phase out the use of medically important antibiotics for disease prevention purposes in its beef and pork supply chains. LGIM voted in favour of this resolution, which received 15% votes in favour.

Classification: Public

Pensions Committee 25 September 2024

LGIM have broadened its collaborative engagement by joining FAIRR's collaborative investor engagement on Antibiotic Use in the Quick-Service Restaurant Sector in North America. This engagement stream covers fast-food restaurant companies, including McDonald's, Yum! Brands (owner of KFC and Pizza Hut), and Restaurant Brands International (owner of Burger King). By working with like-minded peers and stakeholders, the manager aim to broaden its engagement on the issue of antimicrobial resistance with companies that, it believes, could have a substantial effect in mitigating AMR by changing their supply chain practices. LGIM will continue to exercise its votes on AMR-related shareholder resolutions in line with its Health Policy; the significant vote on Restaurant Brands International highlighted in this report is an example.

Governance - Significant votes

Disney: 2024 proxy fight

One of the more high-profile activist situations this proxy season was the attempt by both Trian Partners and Blackwells Capital to gain board seats at Walt Disney Co.

Identify

This was the second time in as many years that Trian Partners, headed by Nelson Peltz, sought seats on the board of Disney. An additional element of interest in the battle that changed the dynamics was the new proxy voting rules of the universal proxy card. This meant that shareholders could vote for a mix of nominees, rather than having to decide between two or more opposing full slates, a management slate and the slates proposed by the dissidents. This also meant that Blackwells Capital, another activist investor in Disney stock, could campaign against Peltz, which had the potential to divide the opposition.

Engage

LGIM had discussions with Disney, as well as with both activist investors, in order that it could make an informed voting decision. They met with the new CFO of the company and explained its concerns that centred around poor CEO succession planning and an unclear strategy. LGIM also met with Nelson Peltz and the three nominees from Blackwells Capital, Jessica Schell, Craig Hatkoff, and Leah Solivan. It did not have the opportunity to meet Jay Rasulo, Trian Partners' second nominee.

Outcome

Following internal discussions, LGIM placed a vote in favour of the election of Nelson Peltz at the proxy contest on 03 April 2024, as it believed that the board would benefit from constructive challenge. Given the seniority and calibre of the current Disney board, the manager acknowledged that it would take an individual with a certain degree of gravitas to be able to deliver this challenge whilst still working constructively with the board. After consideration, it didn't believe that the Blackwells Capital nominees would be able to bring this challenge and as it had not met Jay Rasulo, LGIM were unable to opine specifically on his strengths or make a full assessment. It also acknowledged the potential for Disney to benefit from Trian Partners' resources with regards to strategy assessment and board succession planning.

Classification: Public

Pensions Committee 25 September 2024

As in previous years, LGIM voted against the Chair of the Remuneration Committee due to various concerns with the company's compensation programme.

The results of the AGM indicated that only about 31% of shareholders voted to add Peltz to the Disney board. However, about 37% of shareholders voted to remove the Chair of the Remuneration Committee. There was also some stronger opposition to Michael Froman, Mark Parker and Derica Rice; the Blackwells Capital nominees were each supported by around 2% of shareholders voting.

LGIM have since engaged further with the company to provide additional feedback and will continue to engage to follow the progression of their board succession planning and strategic refresh.

LAPFF

During the quarter LAPFF issued a number of voting alerts which have been shared with LGIM for their consideration. (LCIV receive directly).

LAPFF issued its recommendations for UK Climate Policy as the country moves to the next phase of its response to energy transition. Given the extent and complexity of energy transition the policy does not cover every aspect of climate policy but instead aims to cover the most significant elements. The policy can be found on the members shared drive.

Details on the various LAPFF engagements can also be found on the members shared drive.

Although outside this reporting period members should note that the LAPFF business meeting was held on 10 July.

FINANCIAL IMPLICATIONS

ESG initiatives included within the Pension Fund budget.

LEGAL IMPLICATIONS

Legal implications are included in the report.

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Pension Fund Risk Register		Item 8
Committee	Pension Committee	
Officer Reporting	James Lake, Finance	
Papers with this report	Pension Fund Risk Register Open & Closed Risk Matrix	

HEADLINES

The purpose of this report is to identify to the Pension Committee the main risks to the Pension Fund and to enable them to monitor and review risks going forward (see appendices).

RECOMMENDATIONS

It is recommended that Pensions Committee:

- **Consider and agree the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.**
- **Note the revised format agreeing the retired risks and those which remain open**

SUPPORTING INFORMATION

Following the introduction of the Council's new risk management software, JCAD, all 14 risks presented at the June Committee meeting were transferred from the legacy spreadsheet approach into the new system.

Furthermore, as noted at the June meeting, the software allows risks that are being managed as, day-to-day, business as usual items, to be retired but maintained in the background as a record. In the event the risk requires active management it can then easily be re-introduced.

Attached are two reports covering open and retired/closed risks:

Closed risks being managed as business as usual or tolerated include:

- PEN 1 - Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation
- PEN 2 - Inappropriate long-term investment strategy
- PEN 3 - Active investment manager under-performance relative to benchmark
- PEN 4 - Inflation - Pay and price inflation significantly more than anticipated
- PEN 5 - Pensioners living longer

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- PEN 6 - Poor Performance of Outsourced Administrator
- PEN 7 - Cyber Security
- PEN 8 - ESG - Risk of financial loss through the negative impact of ESG matters
- PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls
- Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments
- PEN 11 - Failure of the pool in management of funds / access to funds

Risks which remain open, and which are actively being managed Include:

- PEN 12 - Failure of the Fund's governance to comply with statutory requirements
- PEN 13 - Key officer risk
- PEN 14 - Failure of employers to deliver accurate and timely employee administration information

The three open risks remain static from the previous quarter.

The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and by the potential damage that might be caused by an occurrence (impact). The risks are also RAG rated to identify level. Scoring is included in the attached Risk Matrix.

FINANCIAL IMPLICATIONS

The financial implications are contained in the risk register attached.

LEGAL IMPLICATIONS

The legal implications are contained in the risk register attached.

Grid: Record - View: Closed Risks

Risk Ref	Risk Title and Description
PENS0001	PEN 01 - Fund assets fail to deliver returns in line with the anticipated
PENS0002	PEN 02 - Inappropriate long-term investment strategy
PENS0003	PEN 03 - Active investment manager under-performance relative to b
PENS0004	PEN 04 - Inflation - Pay and price inflation significantly more than ant
PENS0005	PEN 05 - Pensioners living longer
PENS0006	PEN 06 - Poor Performance of Outsourced Administrator
PENS0007	PEN 7 - Cyber Security
PENS0008	PEN 8 - ESG - Risk of financial loss through the negative impact of ESG
PENS0009	PEN 9 - Liquidity on asset management - risk of failure to liquidate ass
PENS0010	Pen 10 - Liquidity on members dealings - risk that the fund is unable to
PENS0011	PEN 11 - Failure of the pool in management of funds / access to funds

Causes

Market and economic environment not conducive to asset performance.

Incorrect asset allocation.

Underperforming fund managers.

Incorrect asset allocation and fund manager selection.

Incorrect manager decisions

Incorrect market environment for their Strategy

Key staff loss

Global and national market/geo political environment causing higher inflation.

Incorrect BoE actions to rectify

Improvements in longevity

Poor service delivery of outsource partner

Poor contract management

Lack of action when improvements required

Inappropriate cyber protection, ongoing management and contingenc

Negative ESG influences creating an environment where investments/

Lack of notice given for drawdown

Poor cashflow management t

Cashflow negative (Payments greater than income)

Poor cashflow management

Lack of interest in common fund launch

Poor CIV governance

Government intervention

Consequences	Risk Type
Reduced asset value. Reduced funding level.	
Increase in employer contributions.	Operational
Increased employer contributions.	Operational
Reduced investment returns vs passive strategy Lower returns / funding level	
Increased employer contributions	Operational
Increased pension payments / cashflow negative Reduced asset values & increased negative actuarial assumptions reduce funding level	
Discount rate may be higher which could improve funding level	Operational
Pension costs exceeding forecast	
Reduced funding level	Operational
Non delivery of pension payments Non compliance with pension regulations	Operational
Los of data Ransom demands	
Non delivery of statutory service	Operational
Reduced asset value Reduced funding level	Operational
Unable to meet trades Financial penalties	
Overdraft fees	Operational
Non payment of pensions Negative impact on pensioners Reputational damage Fines	Operational
Lack of diversity in investment Inability to meet pooling requirement	
Unable to meet any changing in ISS requirements	Operational

Risk Category	Risk Owner	Status	Status Date	Last Reviewed By
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Statutory Service Provision	James Lake	Closed/Tolerated	10/06/24	
IT & Technology	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	
Financial	James Lake	Closed/Tolerated	10/06/24	

Last Review Date	Review Comments

Directorate	Current Profile	Controlled Profile
Finance Directorate D1		D1
Finance Directorate D1		E1
Finance Directorate D1		D1
Finance Directorate D1		E1
Finance Directorate E2		E2
Finance Directorate E2		F2
Finance Directorate E1		E1
Finance Directorate Not Set		Not Set
Finance Directorate E1		F1
Finance Directorate Not Set		Not Set
Finance Directorate D1		E1

Grid: Record - View: Default List

Alert	Risk Ref	Risk Title and Description
	PENS0012	PEN 12 - Failure of the Fund's governance to comply with statutory re
	PENS0013	PEN 13 - Key officer risk
	PENS0014	PEN 14 - Failure of employers to deliver accurate and timely employe

Causes

New General CoP needs gap analysis and rectification
GMP moral vs regulatory requirement
Knowledge gaps resulting in ineffectiveness of Committee and/or Board

Small team with specialist knowledge in each role.
Limited capacity for succession planning.

Poor outsource contract management by employers
Poor performance of outsourced service providers
Inadequate payroll reporting by Hillingdon Council
Lack of ownership by employers

Consequences	Current Profile	Status
Actions taken against the Fund by TPR for non code compliance Not delivering best practice in accordance with the new code TPR/DLUHC action taken against the Fund for not GMP non compliance	D3	Static
Poor decisions and/or oversight by Committee/Board members Non delivery of service statutory requirements Agency staff costs to cover any vacant position.	D3	Static
Inaccurate pension records Reporting of employers to TPR - and subsequent ramifications (Fines) Incorrect pensions being paid Pensions payment not processed efficiently Additional pension administration costs	A3	Static

Risk Owner	Review Date	Linked R Risk Category	Last Review Date
James Lake	13/11/24	Statutory Service Provision	13/08/24 1:00
James Lake	13/11/24	Statutory Service Provision	13/08/24 1:00
James Lake	08/09/24	Statutory Service Provision	08/08/24 1:00

Last Reviewed By	Review Comments
James Lake	Risk Reviewed - No Changes Required
James Lake	Risk Reviewed - No Changes Required
James Lake	Risk Reviewed - No Changes Required

Directorate	Service	Risk Type	Created Date
Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/24
Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/24
Finance Directorate	Pensions, Treasury & Statutory Accounts	Operational	30/05/24

LIKELIHOOD			RISK SCORE			
Greater than 90%	This Week	Very High (A)	A4 (6)	A3 (12)	A2 (18)	A1 (24)
70% to 90%	Next Week / This Month	High (B)	B4 (5)	B3 (10)	B2 (15)	B1 (20)
50% to 70%	This Year	Significant (C)	C4 (4)	C3 (8)	C2 (12)	C1 (16)
30% to 50%	Next Year	Medium (D)	D4 (3)	D3 (6)	D2 (9)	D1 (12)
10% to 30%	Next 5 Years	Low (E)	E4 (2)	E3 (4)	E2 (6)	E1 (8)
Less than 10%	Next 10 Years	Very Low (F)	F4 (1)	F3 (2)	F2 (3)	F1 (4)
IMPACT						
			Small (4)	Medium (3)	Large (2)	Very Large (1)
		Financial:	Up to £250k	£250k - £1million	£1million - £5million	Over £5million
		Service Provision:	Slightly reduced	Service suspended short term	Service suspended long term / statutory duties not delivered	
		Health & Safety:	First Aider required	Broken Bones/Illness	Loss of life / Major illness	Major loss of life / large scale major illness
		Workforce:	Negative morale	Some hostility / minor non cooperation	Industrial action	Mass staff leaving
		Reputation:	Minor Letters	Adverse local media	Adverse national publicity	Remembered for years
		Government Relations:	Poor assessment		Service taken over temporarily	Service taken over permanently

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GOVERNANCE

Item 9

Committee	Pensions Committee
Officer Reporting	James Lake, Finance
Papers with report	Pension Committee Workplan Communications Policy Breaches Policy General Code of Practice (GCoP) Compliance Update

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 Continuous Professional Development update**
4. **Agree updated Communications Policy**
5. **Agree updated Reporting Breaches Policy**
6. **Note GCoP Update**

SUPPORTING INFORMATION

The Pension Committee workplan has been updated and is now shown as an appendix to this report.

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

Future meeting dates:

10 December 2024

26 March 2025

Training

In line with the required competencies set out by the 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.

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

Pensions Committee Continuous Professional Development Log 2023/24

Date	Details	Cllr Chamdal	Cllr Banerjee	Cllr Riley	Cllr Mathers	Cllr Burles
11 Jul 24	LCIV Absolute Return	1 Hour				
11 Jul 24	LAPFF ESG	1 Hour				
31 Jul 24	LCIV Fixed Interest	1 Hour				
1 Aug 24	LCIV Multi Asset	1 Hour				
22 Aug 24	LCIV Business Meeting	1 Hour				
5 & 6 Sep 24	LCIV Conference	7 Hours			10 Hours	
17 Sep 24	LCIV Property	1 Hour			1 Hour	1 Hour
30 Sep 24	WCC Training	1 Hour				1 Hour
CIPFA Knowledge & Skills Framework 7 Modules		Completed 14 Hours	*	**	*	*

*Completed Knowledge and Skills training prior to 2024/25.

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

Knowledge & Skills Assessment

In January 2024 the members of the Pension Committee and Board were invited to complete an online knowledge assessment.

In March 2024 the results of the assessment were discussed at Pensions Committee. Members were asked to revisit AON modules where their individual scores did not meet the required level.

To date, Cllr Burles has confirmed he has revisited the relevant AON modules. Other members included in the assessment are yet to confirm.

Training Plan

The next phase in the training plan is being developed. Areas on which there will be a focus include:

Pension Regulator's General Code of Practice

Investment manager selection and monitoring

Ethnic, Diversity & Inclusion

Once presenters and material have been agreed, date options will be sent to Committee and Board members.

General Code of Practice

Following the introduction of the Pensions Regulator's new General Code of Practice, a gap analysis assessing the Funds compliance, against the new and extended requirements, has been completed in line with the recommended September deadline. Attached to this report is the dashboard results of the initial assessment. A partial peer review has taken place and will be completed by end of Q3 2024. The Fund now has a further year to implement the necessary measures to

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reach compliance across all requirements. A programme of work will be undertaken to remedy any gaps with regular updates being brought to both Committee and Board. The Pension Board has cited reaching compliance over the next year as a key activity and one on which they will focus.

Communications Policy & Breaches Policy

The attached policies have been updated as part of the triennial review programme. There were no major changes to the documents other than a general refresh and update of terms and positions. Tracked changes show the amendments.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

Where applicable the legal implications are included within the body of the report.

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London Borough of Hillingdon Pension Fund - Pensions Committee agenda plan

	Frequency	Last review	Sep-24	Dec-24	Mar-25
Governance					
Business Plan & Budget	Annual				
Business Plan & Budget - Update on progress/outturn	Quarterly			Y	Y
Annual Report and Accounts Draft - unaudited	Annual			Y	
External audit plan	Annual				
External audit results report	Annual				
Internal audit - outcomes	As required				
Local Pensions Board Operating Procedures	Every 3 years	Nov-21			
Local Pensions Board - Annual Report	Annual				Y
Compliance with Pensions Regulator Code of Practice	Annual				Y
Benchmarking - Investment; Admin; Funding (Section 13)	Various				
CTI	Annual				
Procurement of services	As required				
Governance Update	Quarterly		Y	Y	Y
Risk register	Quarterly		Y	Y	Y
Policies					
Governance Policy & Compliance Statement inc Governance					
Compliance Statement		Dec-23			
Conflicts of Interests Policy		Mar-23			
Risk Management Policy		Mar-22			Y
Procedure for Reporting Breaches of the Law		Oct-21	Y		
Funding Strategy Statement		Mar-23			
Investment Strategy Statement	At least every	Dec-23			
Responsible Investment Policy	3 years	Mar-23			
Training Policy		Dec-23			
Pensions Administration Strategy		Sep-21			
Scheme pays policy		Dec-23			
Internal Disputes Resolution Procedure (IDRP) Employees Guide		Oct-22			
Communications Policy		Sep-21	Y		
Discretions Policy		Jun-22			
Pensions Administration					
Pensions Administration Performance	Quarterly		Y	Y	Y
Breaches, Complaints and Appeals	Annually				
Data Quality Improvement Plan??	Ad-hoc				
Funding					
Actuarial Valuation	Every 3 years	Mar-23			
Investment					
Review of Investment Strategy	Every 3 years	Jun-23			
Investment update and manager review	Quarterly		Y	Y	Y
Responsible Investment Update	Quarterly		Y	Y	Y
Stewardship Code	as required	Mar-23			
Climate Risk Dashbaord (TCFD)	Every 3 years	Mar-22			

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London Borough of Hillingdon Pension Fund

Procedure for Reporting Breaches of the Law

Introduction

This document sets out the procedures to be followed by certain persons involved with the London Borough of Hillingdon Pension Fund, the Local Government Pension Scheme managed and administered by the London Borough of Hillingdon, in relation to reporting breaches of the law to the Pensions Regulator.

The London Borough of Hillingdon, as Administering Authority, has delegated responsibility for the implementation of these procedures to the Director of Pensions, Treasury & Statutory Accounts.

Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

This Procedure document applies, in the main, to:

- all members of the Pensions Committee and the Local Pension Board
- all officers involved in the management of the Pension Fund including members of the London Borough of Hillingdon Corporate Finance and the Corporate Director of Finance
- any professional advisers and third-party suppliers including auditors, actuaries, independent advisers, administration partner, employers in the Fund, legal advisers, London Collective Investment Vehicle and fund managers
- officers of employers participating in the London Borough of Hillingdon Pension Fund who are responsible for pension matters.

The next section clarifies the full extent of the legal requirements and to whom they apply.

Requirements

Pensions Act 2004

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement on the following persons:

- a trustee or manager of an occupational or personal pension scheme
- a member of the pension board of a public service pension scheme
- a person who is otherwise involved in the administration of an occupational or personal pension scheme
- the employer in relation to an occupational pension scheme
- a professional adviser in relation to such a scheme
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme,

to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that:

- (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
- (b) the failure to comply is likely to be of material significance to The Pensions Regulator.

The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse.

The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However, the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

The Pension Regulator's General Code of Practice

Practical guidance in relation to this legal requirement is provided in The Pension Regulator's General Code of Practice including in the following areas:

- Who reports breaches – LPB, Scheme manager, Employers, Advisers & Service Providers
- Decision to report breaches – Reasonable cause & Materiality to TPR
- How to report breaches – Online web form, email or by Post
- Report payment failures

Application to the London Borough of Hillingdon Pension Fund

The London Borough of Hillingdon has developed this procedure which reflects the guidance contained in The Pension Regulator's General Code of Practice in relation to the London Borough of Hillingdon Pension Fund and this document sets out how the Council will strive to achieve best practice through use of a formal reporting breaches procedure.

Training on reporting breaches and related statutory duties, and the use of this procedure is provided to Pensions Committee members, Pension Board members and key officers involved with the management of the London Borough of Hillingdon Pension Fund on a regular basis. Further training can be provided on request to the Director of Pensions, Treasury and Statutory Accounts.

London Borough of Hillingdon Pension Fund Reporting Breaches Procedure

The following procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the London Borough of Hillingdon Pension Fund.

It aims to ensure individuals responsible are able to meet their legal obligations and avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

1. Clarification of the law

Individuals may need to refer to regulations and guidance when considering whether or not to report a possible breach. Examples of some of the key provisions are shown below:

- Section 70(1) and 70(2) of the Pensions Act 2004:
www.legislation.gov.uk/ukpga/2004/35/contents ▪
- Employment Rights Act 1996:
www.legislation.gov.uk/ukpga/1996/18/contents
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (Disclosure Regulations):

www.legislation.gov.uk/uksi/2013/2734/contents/made

- Public Service Pension Schemes Act 2013:
www.legislation.gov.uk/ukpga/2013/25/contents
- Local Government Pension Scheme Regulations (various):
<http://www.lgpsregs.org/timelineregs/Default.html> (pre 2014 schemes)
<http://www.lgpsregs.org/index.php/regs-legislation> (2014 scheme)
- The Pensions Regulator's General Code of Practice:
[TPR general \(single\) code of practice | The Pensions Regulator](#)
In particular, individuals should refer to the section on 'Reporting to the TPR', and for information about reporting late payments of employee or employer contributions, the section of the Code on 'Reporting Payment Failures'.

Further guidance and assistance can be provided by the Director of Pensions, Treasury & Statutory Accounts, as long as requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

2. Clarification when a breach is suspected

Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Where a breach is suspected the individual should carry out further checks to confirm the breach has occurred.

Where the individual does not know the facts or events, it will usually be appropriate to check with the Director of Pensions, Treasury & Statutory Accounts at the London Borough of Hillingdon, a member of the Pensions Committee or Pension Board or others who are able to explain what has happened. However, there are some instances where it would not be appropriate to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and they are also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases, The Pensions Regulator should be contacted without delay.

3. Determining whether the breach is likely to be of material significance

To decide whether a breach is likely to be of material significance an individual should consider the following, both separately and collectively:

- cause of the breach (what made it happen)
- effect of the breach (the consequence(s) of the breach)
- reaction to the breach
- wider implications of the breach.

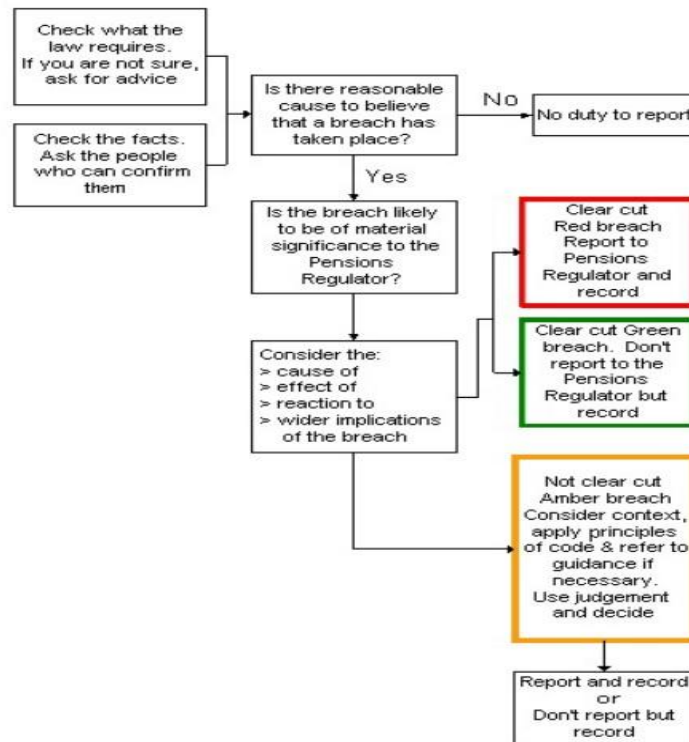
Individuals may also request the most recent breaches report from the Director of Pensions, Treasury & Statutory Accounts, as there may be details on other breaches which may provide a useful precedent on the appropriate action to take.

Further details on the above four considerations are provided in Appendix A to this procedure.

The individual should use the traffic light framework described in Appendix B to help assess the material significance of each breach and to formally support and document their decision.

A decision tree is provided below to show the process for deciding whether or not a breach has taken place and whether it is materially significant and therefore needs to be reported.

Decision-tree: deciding whether to report



4. Referral to a level of seniority for a decision to be made on whether to report

The London Borough of Hillingdon has designated an officer (the Director of Pensions, Treasury & Statutory Accounts) to ensure this procedure is appropriately followed. They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist in any reporting to The Pensions Regulator, where appropriate.

If breaches relate to late or incorrect payment of contributions or pension benefits, r should be highlighted to the Director of Pensions, Treasury & Statutory Accounts at the earliest opportunity to ensure the matter is resolved as a matter of urgency.

Individuals must bear in mind, however, that the involvement of the Director of Pensions, Treasury & Statutory Accounts is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The potential reporter remains responsible for the final decision as to whether a matter should be reported to The Pensions Regulator.

The matter should not be referred to the Director of Pensions, Treasury & Statutory Accounts if doing so would alert any person responsible for a possible serious offence to the investigation (as highlighted in section 2). If that is the case, the individual should report the matter to The Pensions Regulator setting out the reasons for reporting, including any uncertainty – a telephone call to the Regulator before the submission may be appropriate, particularly in the case of a more serious breach.

5. Dealing with complex cases

The Director of Pensions, Treasury & Statutory Accounts may be able to provide guidance on particularly complex cases. Guidance may also be obtained by reference to previous cases,

information on which will be retained by the London Borough of Hillingdon, or via discussions with those responsible for maintaining the records. Information may also be available from national resources such as the Scheme Advisory Board or the LGPC Secretariat (part of the LG Group - <http://www.lgpsregs.org/>).

If timescales allow, legal advice or other professional advice can be sought, and the case can be discussed at the next Committee or Board meeting.

6. Timescales for reporting

The Pensions Act and The Pension Regulator's General Code require that, if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not wait for others to report and nor is it necessary for a reporter to gather all the evidence which The Pensions Regulator may require before taking action. A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on "reasonable cause to believe" and on "material significance" should be consistent with the speed implied by 'as soon as reasonably practicable'. In particular, the time taken should reflect the seriousness of the suspected breach.

7. Early identification of very serious breaches

In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, The Pensions Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary.

The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert The Pensions Regulator to the breach.

8. Recording all breaches even if they are not reported

The record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). The London Borough of Hillingdon will maintain a record of all breaches identified by individuals and reporters should therefore provide copies of reports submitted to The Pensions Regulator to the Director of Pensions, Treasury & Statutory Accounts. Records of unreported breaches should also be provided to the Director of Pensions, Treasury & Statutory Accounts as soon as reasonably practicable and certainly no later than 20 working days of the decision made not to report. These will be recorded alongside all reported breaches. The record of all breaches (reported or otherwise) will be included in the quarterly Monitoring Report at each Pensions Board meeting, and this will also be shared with the Pension Committee annually.

Reporting a breach

Reports must be submitted in writing via The Pensions Regulator's online system at www.tpr.gov.uk/exchange, or by post, email, and should be marked urgent if appropriate. If necessary, a written report can be preceded by a telephone call.

Reporters should ensure they receive an acknowledgement for any report they send to The Pensions Regulator. The Pensions Regulator will acknowledge receipt of all reports within five working days and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by The Pensions Regulator due to restrictions on the disclosure of information.

As a minimum, individuals reporting should provide:

- full scheme name (London Borough of Hillingdon Pension Fund)
- description of breach(es)
- any relevant dates
- name, position and contact details
- role of reporter in connection to the scheme
- employer name or name of scheme manager (the latter is the London Borough of Hillingdon).

If possible, reporters should also indicate:

- the reason why the breach is thought to be of material significance to The Pensions Regulator
- scheme address (provided at the end of this procedures document)
- scheme managers contact details (provided at the end of this procedures document) ▪ pension scheme registry number (PSR – 10149119) ▪ whether the breach has been reported before.

The reporter should provide further information or reports of further breaches if this may help The Pensions Regulator in the exercise of its functions. The Pensions Regulator may make contact to request further information.

Confidentiality

If requested, The Pensions Regulator will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so.

If an individual's employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may have protection under the Employment Rights Act 1996 if they make an individual report in good faith.

Reporting to Pensions Board

A report will be presented to the Pensions Board on a quarterly basis setting out:

- all breaches, including those reported to The Pensions Regulator and those not reported, with the associated dates.
- in relation to each breach, details of what action was taken and the result of any action (where not confidential)
- any future actions for the prevention of the breach in question being repeated ▪ new breaches which have arisen in the last year/since the previous meeting.

This information will also be provided upon request by any other individual or organisation (excluding sensitive/confidential cases or ongoing cases where discussion may influence the proceedings).

An example of the information to be included in the quarterly reports is provided in Appendix C to this procedure.

Review

This Reporting Breaches Procedure will be kept under review and updated as considered appropriate by the Director of Pensions, Treasury & Statutory Accounts. It may be changed

as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure.

Further Information

If you require further information about reporting breaches or this procedure, please contact:

James Lake
Director of Pensions, Treasury & Statutory Accounts
London Borough of Hillingdon
Civic Centre 4N/01
High Street
Uxbridge
Middlesex
UB8 1UW

E-mail - JLake@hillingdon.gov.uk

Further information on the London Borough of Hillingdon Pension Fund can be found as shown below:

Email: pensions@hants.gov.uk

Telephone: 01962 845 588

Hampshire Pension Services
The Castle
Winchester
SO23 8UB

London Borough of Hillingdon Website: www.hillingdon.gov.uk

Appendix A – Determining whether a breach is likely to be of material significance

To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:

- cause of the breach (what made it happen)
- effect of the breach (the consequence(s) of the breach)
- reaction to the breach
- wider implications of the breach

The cause of the breach

Examples of causes which are likely to be of concern to The Pensions Regulator are provided below:

- Acting, or failing to act, in deliberate contravention of the law.
- Dishonesty.

- Incomplete or inaccurate advice.
- Poor administration, i.e. failure to implement adequate administration procedures.
- Poor governance.
- Slow or inappropriate decision-making practices.

When deciding whether a cause is likely to be of material significance individuals should also consider:

- whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake
- whether there have been any other breaches (reported to The Pensions Regulator or not) which when taken together may become materially significant

The effect of the breach

Examples of the possible effects (with possible causes) of breaches which are considered likely to be of material significance to The Pensions Regulator in the context of the LGPS are given below:

- Committee/Board members not having enough knowledge and understanding, resulting in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements
- Conflicts of interest of Committee or Board members, resulting in them being prejudiced in the way in which they carry out their role and/or the ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements
- Poor internal controls, leading to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time
- Inaccurate or incomplete information about benefits and scheme information provided to members, resulting in members not being able to effectively plan or make decisions about their retirement
- Poor member records held, resulting in member benefits being calculated incorrectly and/or not being paid to the right person at the right time
- Misappropriation of assets, resulting in scheme assets not being safeguarded
- Other breaches which result in the scheme being poorly governed, managed or administered

The reaction to the breach

A breach is likely to be of concern and material significance to The Pensions Regulator where a breach has been identified and those involved:

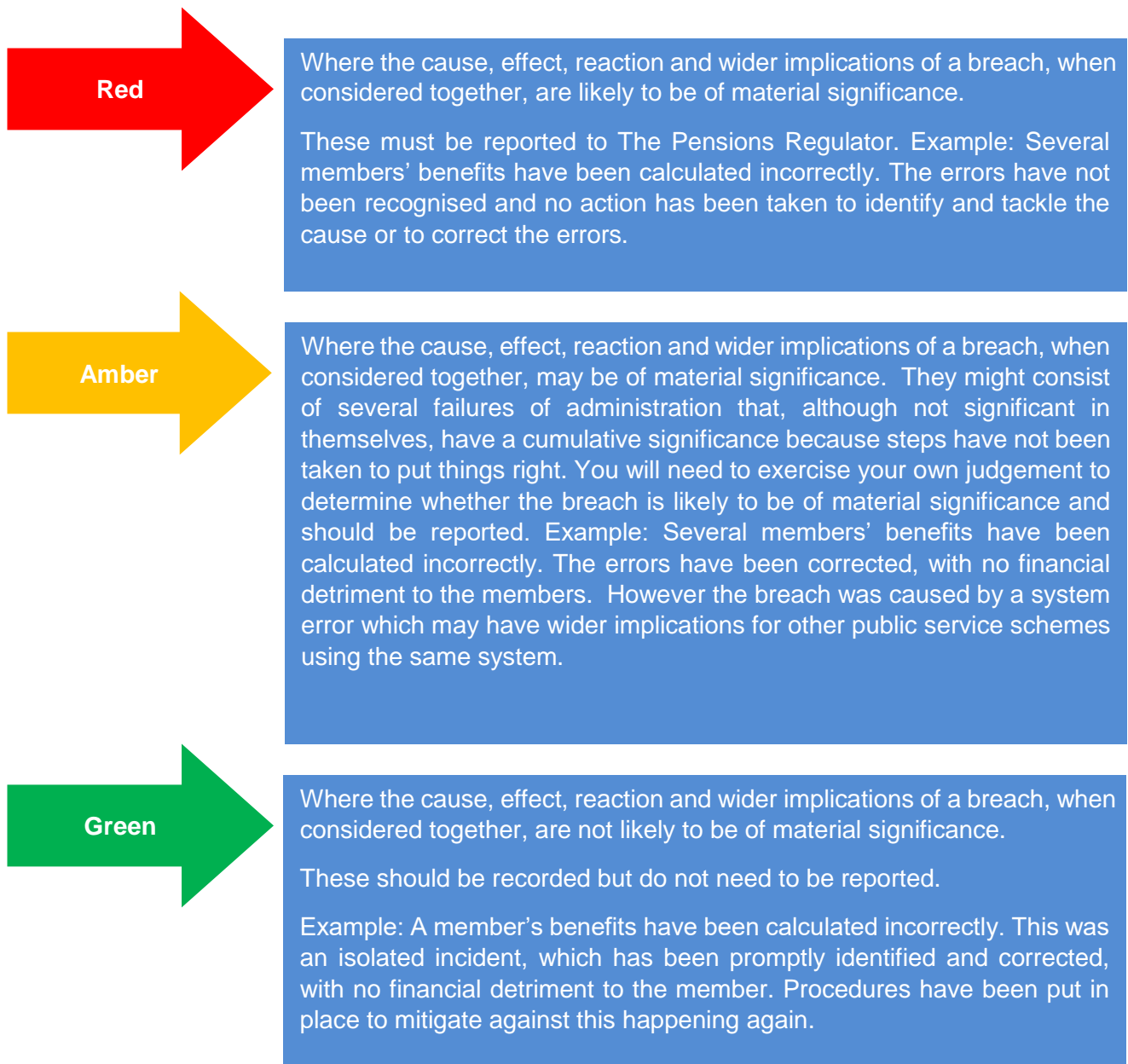
- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence
- are not pursuing corrective action to a proper conclusion, or
- fail to notify affected scheme members where it would have been appropriate to do so.

The wider implications of the breach

Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to The Pensions Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Fund or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

Appendix B - Traffic light framework for deciding whether or not to report

The London Borough of Hillingdon recommends those responsible for reporting to use the traffic light framework when deciding whether to report to The Pensions Regulator. This is



illustrated below:

All breaches should be recorded even if the decision is not to report.

When using the traffic light framework individuals should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before you consider the four together. Some useful examples of this framework is provided by The Pensions Regulator at the following link <http://www.thepensionsregulator.gov.uk/codes/code-related-report-breaches.aspx>

Appendix C – Example Record of Breaches

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions

*New breaches since the previous meeting should be highlighted

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

COMMUNICATION STRATEGY

Date approved: 28 September 2024

Date of renewal: September 2027

COMMUNICATION 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 Hampshire County Council (HCC) under a delegation agreement. and the team at Hampshire 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 Hampshire 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.

This Strategy will be effective from 28 September 2024 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 stakeholder focused, reputable and credible service to all customers.
- 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 our 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.
- Annually evaluate 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 input 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 by Hampshire County Council with the sign-off of the London Borough of Hillingdon. The London Borough of Hillingdon will also look for opportunities to work collaboratively with other Administering Authorities 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.

With whom we will Communicate

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.

Ethnic, Diversity & Inclusion Communication

The London Borough of Hillingdon Pension Fund's information and support is also available in alternative formats for example, Braille, large print or alternative languages 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

Our aim is to provide all communications electronically where possible as a rapid access and secure means of sharing personal information. We however recognise that it is not always a suitable method for all stakeholders and where appropriate will provide communication in writing and other inclusive formats such as large print or braille where required.

Website

All members have access to the Fund's website

<https://archive.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 Hampshire Pension Service website Local Government Pension Scheme (LGPS) | Hampshire County Council (hants.gov.uk) which offers extensive information about membership of the LGPS and scheme regulations as well as forms and guides for members and links to relevant organisations. It is regularly updated and provides news feed for topical information.

Annual Benefit Statements

These statements are distributed electronically to all active and deferred scheme members. Where email addresses are held for the members, a notification is sent to advise that the statement is available on the portal. Members can choose to opt out of this service in which case they will receive a paper copy.

Correspondence

Most of our communication with members is undertaken electronically, either through our Member Portal or by secure email. If we hold a member's email address, then we will email to advise when a letter or document is made available for them to view.

However, if we are unable to communicate electronically then we send the information in writing to the member's home address.

If a member wishes to opt out of electronic communications and to receive paper copies, then we ask that they put their request to us in writing.

We can also communicate with members in an alternative method on request.

All emails sent contain a link to our satisfaction survey to encourage feedback from members.

Benefit statements

We make our annual benefit statements available to all members through our Member Portal. If we hold an email address for a member then we email to advise that the statement is available to view on the Portal.

Members can choose to opt out of this online service and instead receive paper statements.

All statements include some explanatory notes and members are advised where to find a more detailed explanation of their statement on our website.

Pension saving statements

By 6 October each year, we send a pension saving statement to any member who may be affected by the annual allowance tax limit. These are also available to view on the Member Portal.

Pensioner payslips, P60s and annual newsletter

All payslips are available to our pensioners through the Member Portal. If a member has paid income tax during the preceding year, then a P60 will also be available through the portal by the end of May. The member can either view or download copies of the payslip and P60.

A pensioner newsletter is produced every year in March or April and is available to view on the Hampshire Pensions website.

An email is sent to notify pensioner members that these documents are available.

Pensioner members can opt out of electronic communications and choose always to receive paper copies of their annual payslip, P60 and newsletter information, by putting their request to us in writing.

Declaration of pension entitlement

We send forms to verify a member's continuing entitlement to receive pension payments:

- every year, to pensioners that live overseas and
- whenever a pensioner payment or mail is returned to us.

Telephone and email

All members have the opportunity to telephone or email the London Borough of Hillingdon Pension Fund / Hampshire Pension Services (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 strategy, funding strategy, and governance. It is available on the Fund's website.

b) With Employers

Effective communication between the Fund and its employers reduces errors, improves efficiency and leads to good working relationships. The day-to-day communication with employers will be supported by Hampshire Pensions Services with sign off from London Borough of Hillingdon on key areas of communication. The main means of communication with employers are outlined below.

Website

The HPS website has a dedicated section for employers. It includes technical information, details of training courses, the latest employer news and an Employer Manual which contains details of procedures and employer responsibilities. The website offers access to our Employer Hub. Employers are asked to register for this service which enables them to view or amend details of their own employee's records, submit forms to us or to provide member estimates, depending on their level of access.

Newsletters

We send a regular electronic newsletter, "Pensions Matters", to employing authorities to keep them up to date with the latest regulation changes and proposals, as well as any changes in administrative processes.

We also send ad hoc email communications, under the heading "Stop Press" to advise employers of any changes or information they should be aware of or would find useful.

Copies of "Pensions Matters" and "Stop Press" emails are also added to the employer section of the website.

Employer training

We offer employer training workshops on a variety of topics, in addition to dealing with queries via email or phone.

In addition, Pension Services will work with employers who have individual training needs offering targeted training on request or when a need is identified.

Employer meetings

We hold employer liaison meetings throughout the year with key employers or those where additional support is required. All employers may request a meeting with us.

We also hold six-monthly meetings with employer focus groups and will attend established employer forums.

Administration Strategy

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.

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 and board meetings and through regular training in line with the Fund's training policy. The majority of reports provided to Pension Committee together with the meeting minutes, are available on the Democratic Service pages of the Council's website. The Pension Board members and reports to the Board can be found at this website address:

<https://archive.hillingdon.gov.uk/article/29807/Local-Pensions-Board>

d) With Fund Staff:

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

Senior Pension Person

The London Borough of Hillingdon and Hampshire 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 managers and senior colleagues to discuss and resolve work related issues.

Team Meetings

Office and/or Team meetings are held on a regular basis to discuss operations, 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 Senior Pension Person 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 themselves 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 Ministry of Housing Communities and Local Government (MHCLG)
We have regular contact with MHCLG 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 supports the Pensions Regulator's General Code of Practice.

Trade Unions

We work with relevant trade unions as required 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 which invest funds on behalf of the Fund
- the London Collective Investment Vehicle (LCIV) which invests funds and oversees elements of investment governance 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 if applicable.

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 AVC provider is Prudential.

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.

The Society of London Pension Managers takes place every two months where senior pension officers discuss investment, pooling and governance initiatives and information.

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.

Where relevant the Fund will respond to consultations from third parties.

Key Risks

The key risks to the delivery of this Strategy are outlined below. The London Borough of Hillingdon's Lead Pensions Officer will work together with the Lead Pensions Officer at Hampshire 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 on 28 September 2024 by the London Borough of Hillingdon Pensions Committee. It is effective from 1 October 2024

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:

James Lake, Director of Pensions, Treasury & Statutory Accounts
London Borough of Hillingdon
Civic Centre
High Street
Uxbridge
UB8 1UW

E-mail - jlake@hillingdon.gov.uk

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TPR General code of practice

London Borough of Hillingdon Pension Fund - Scheme Assessment

Prepared for: Hillingdon Council
London Borough of Hillingdon Pension Fund Committee
London Borough of Hillingdon Local Pension Board

Prepared by: Aon
Date: 23 August 2024

Introduction






TPR Code Compliance model

This report sets out how London Borough of Hillingdon Pension Fund complies with the Pension Regulator’s (TPR) General code of practice (the Code) in relation to the management of the London Borough of Hillingdon Pension Fund which is part of the Local Government Pension Scheme (LGPS).

Note that the Code applies to governing bodies of all occupational, personal and Public Service Pension Schemes and therefore it is generic in nature. This document highlights all the key elements of the Code relevant to Public Service Pension Schemes and sets out whether Hillingdon Council is compliant in each of the Code’s modules. There may be a number of requirements relating to these elements that are specifically stipulated within LGPS legislation and it is not the purpose of this compliance model to consider that level of detail.

Key

	Compliant
	Compliant in some but not all areas
	Not currently compliant
PC	Pension Committee (or equivalent)
PB	Local Pension Board
TPR	The Pensions Regulator
LGPS	Local Government Pension Scheme
Code	TPR’s General code of practice

The governing body



The governing body – at a glance



Board Structure and activities

Fully compliant in 4 out of 5 modules



2 questions are red and 1 question is amber out of 30 questions.

Knowledge and understanding requirements

Fully compliant in 2 out of 2 modules



No questions are red and no questions are amber out of 20 questions.

Advisers and service providers

Fully compliant in 0 out of 1 module



2 questions are red and no questions are amber out of 19 questions.

Risk Management

Fully compliant in 4 out of 6 modules



No questions are red and 2 questions are amber out of 50 questions. 1 question is unanswered.

Scheme governance

Fully compliant in 0 out of 1 module



No questions are red and 1 question is amber out of 24 questions.

Essential actions

- Get PC and PB to acknowledge and read particular section of Governance Policy and confirm understanding the contents.
- Consultation with Hillingdon Council, as administering authority necessary to ascertain and understand appointment procedure of PC members to ensure compliance.
- Timetable for a periodical review of LPB membership to be established, ensuring depth of knowledge is always available to the LPB.
- Policy covering removal and resignation of PB members to be formulated and agreed. Procedures for resignation and removal from PC is covered under the Council's constitution.
- Policy to be update wit particular reference points 9-15 from the TPR Code extract.
- Officers will consult and put together a documented polcies for making appointments of advisers and service providers

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

The governing body

Board structure and activities



Essential Actions

Module	Question	Action
1 Role of the governing body	4	Get PC and PB to acknowledge and read particular section of Governance Policy and confirm understanding the contents.
2 Recruitment and appointment to the governing body	2	Consultation with Hillingdon Council, as administering authority necessary to ascertain and understand appointment procedure of PC members to ensure compliance.
3 Recruitment and appointment to the governing body	3	Timetable for a periodical review of LPB membership to be established, ensuring depth of knowledge is always available to the LPB.
4 Recruitment and appointment to the governing body	6	Policy covering removal and resignation of PB members to be formulated and agreed. Procedures for resignation and removal from PC is covered under the Council's constitution.

Other Actions

Module	Question	Action
1 Role of the governing body	1	Officers will liaise with Democratic Services and provide information about requisite knowledge and skills required for PC members to be considered, when Council makes appointments onto the PC.
2 Role of the governing body	2	The Council, through responsible officers have considered appointing paid LPB members and is still in consideration going forward. In order to assuage the recruitment difficulties to the LPB, co-opting members on to the board is another option being explored.
3 Role of the governing body	3	Training records of all PC and LPB members are kept, monitored and constantly updated for inclusion the quarterly PC meeting work programme. The Knowledge and Skills assesment for both PC and LPB will be conducted annually to ensure all members are up to date in all required area of knowledge. Next assesment is scheduled for January 2025.

4	Role of the governing body	4	An induction pack for PC members will be created and sent to both existing and newly appointed PC members to ensure they are aware of their responsibilities. Acknowledgement of receipt of the induction packs will be documented for monitoring via checklist of responses to induction pack.
5	Recruitment and appointment to the governing body	1	Communication to all categories of scheme membership to be ramped up through the Council's internal system, Hampshire portal and newsletters, then cascaded down to individual employers to encourage participation in LPB and expand pool talent of prospect LPB members.
6	Recruitment and appointment to the governing body	2	Equality, Diversity and Inclusion Policy for the Pension Fund is being developed and contents will be approved by PC and will become a policy to be considered for appointment of LPB members. The Council does have an EDI policy and it will be flagged up to Democratic Services that this should be in consideration for appointments to the PC.
7	Recruitment and appointment to the governing body	3	Consideration will be given to inclusion of Maximum term of LPB membership in the recruitment policy and time table to aid forward planning.
8	Recruitment and appointment to the governing body	4	Training records of all PC and LPB members are kept, monitored and constantly updated for inclusion in the quarterly PC meeting work programme. The Knowledge and Skills assessment for both PC and LPB will be conducted annually to ensure all members are up to date in all required areas of knowledge. Next assessment is scheduled for January 2025.
9	Recruitment and appointment to the governing body	5	Substitute PC members will now be mandated to undergo same Knowledge and Skills assessments as PC members and training preferred to ensure they have adequate knowledge to perform their duties when called upon.
10	Appointment and role of the chair	3	Plans for new chair induction will be formulated and become part of the process after election/selection going forward. This will cover all expectations of the LPB chair under the GCoP.

Knowledge and understanding requirements

Essential Actions

Module	Question	Action
1 Knowledge and understanding	6	Policy to be updated with particular reference points 9-15 from the TPR Code extract.

Other Actions

Module	Question	Action
1 No Actions		

Advisers and service providers

Essential Actions

Module	Question	Action
1 Managing advisers and service providers	1	Officers will consult and put together a documented policies for making appointments of advisers and service providers

Other Actions

Module	Question	Action
1 No Actions		

Risk management

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 Identifying, evaluating and recording risks	5 a	To be reviewed more indepth .
2 Scheme continuity planning	1	Possibly write up a fund specific business continuity plan, incorporating those of other partners.
3 Conflicts of interest	8	TPR Criteria on Dealing with conflicts 9-21 will be checked against Fund policy to ensure compliance.

Scheme governance

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		



The governing body

Modules

Board structure and activities

- Role of the governing body (1)
- Recruiting and appointment to the governing body (2,6)
- *Arrangements for member-nominated trustee appointments (7)*
- Appointment and role of the chair (5)
- Meetings and decision-making (1)
- Remuneration and fee policy (4)

Knowledge & understanding requirements

- Knowledge and understanding (3,6)
- Governance of knowledge and understanding (3,6)

Value for scheme members (DC only)

- *Value for members (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

- Identifying, evaluating and recording risks (1)
- Internal controls (1)
- Assurance reports on internal controls (1)
- Scheme continuity planning (4)
- Conflicts of interest (3,6)
- Own risk assessment (4)
- *Risk management function (7)*

Scheme governance

- Systems of governance (4)



The governing body

Board structure and activities

Role of the governing body



Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Does the Fund have a Pension Committee (or equivalent) (PC) which fulfils the role of scheme manager / administering authority and is established in accordance with legislation within the appropriate constitution (or equivalent)?	Yes	
2	Has the Scheme Manager (i.e. the Administering Authority) established a Local Pension Board (PB) which meets the requirements of the LGPS regulations?	Yes	
3	Upon joining the PC (or equivalent) or PB, are members made aware and receive training about, the expected behaviours and standards of a member of PC / PB as set out in the Code (see paragraph 6 of this module)?	Yes	
4	Are the roles and responsibilities of members of the PC (or equivalent) and PB clearly set out in scheme documentation such as the Governance Policy?	Yes	

The governing body



Board structure and activities

Recruitment and appointment to the governing body

Notes:

- **Mostly applies / Partially good practice.** Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 3) which refers to good practice. Therefore we have shown the questions relating to this paragraph as being good practice only. Note that paragraph 6 doesn't apply for Public Service Pension Schemes.

- **When considering this module, you should also refer to the Pension Regulator's guidance on Equality, Diversity and Inclusion (on TPR website see Scheme management detailed guidance / Governing body / Equality, diversity and inclusion (EDI)).**

Question ID	Question	Answer	Current Score
1	Do you have processes and policies in place for the appointment of members to the PC (or equivalent) and PB, covering the features set out in the Code (see paragraph 5 of this module)?	Yes	Green
2	Do you have processes in place to ensure recruitment practices of members to the PC (or equivalent) and PB are inclusive?	Partially	Yellow
3	Do you regularly review membership of the PC (or equivalent) and PB to ensure a diverse spread of members with varied technical skills and experience?	No	Red
4	Are members of PC (or equivalent) and PB asked to complete a skills gap analysis to ensure any gaps can be addressed over time?	Yes	Green
5	Does succession planning take place (to the extent it is able to)?	Yes	Green

Question ID	Question	Answer	Current Score
6	Do you have a resignation and removal policy setting out who can remove a member of the PC (or equivalent) and PB and the circumstances and processes to follow?	No	
7	Do you have a process for ensuring that appropriate representation as required by the LGPS regulations / local government legislation is maintained?	Yes	

The governing body

Board structure and activities

Appointment and role of the chair



Notes:

- Mostly good practice. Our interpretation is that this module is good practice for Public Service Pension Schemes, other than paragraphs 4 and 5 which do not apply for Public Service Pension Schemes.

- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Is the process for the appointment of the Chair of the PC (or equivalent) and PB robust and clearly documented?	Yes	
2	Is there a process in place for the appointment of a new Chair of the PC (or equivalent) and PB upon resignation or removal?	Yes	
3	Are the Chairs of the PC (or equivalent) and PB made aware of, or provided training about, the skills and behaviours that they should demonstrate as set out in the Code (see paragraph 6 of this module)?	Yes	
4	Do you carry out regular analysis of the skills and behaviours of the Chair of the PC (or equivalent) and PB to ensure they are meeting the requirements in the Code (see paragraph 6 of this module)?	Yes	

The governing body

Board structure and activities

Meetings and decision-making



Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Does the PC (or equivalent) meet regularly (e.g. at least quarterly)?	Yes	
2	Does the PB meet regularly? (e.g. quarterly)?	Yes	
3	Do you ensure that the meeting and decision making arrangements for the PC (or equivalent) and PB adhere to requirements in the relevant local authority legislation, the LGPS regulations and the relevant areas of your Constitution?	Yes	
4	Are formal minutes prepared relating to all PC (or equivalent) and PB meetings which clearly document the date, time, place of meeting, those present, absentees, decisions taken, and decisions taken outside of meetings (including date decision was taken and those who participated in the decision)? (See the Public Service Record Keeping Regulations for PB requirements).	Yes	
5	When planning and running meetings, does the PC (or equivalent) and PB meet in accordance with the meeting processes, procedures and decision-making set out in the Code (see paragraph 6a to k of this module)?	Yes	
6	Are decisions at PC (or equivalent) and any sub-committee meetings made in accordance with LGPS legislation and their Terms of Reference?	Yes	

Question ID	Question	Answer	Current Score
7	Are the matters considered at PB meetings in accordance with LGPS legislation and their Terms of Reference?	Yes	
8	Is there a clearly documented Scheme of Delegation which appropriately cover pension fund matters, including who can make decisions, and are records kept of all decisions (including background information and advice) made under these delegations?	Yes	
9	Are records of all declared conflicts of interests maintained?	Yes	
10	Are records of decisions retained for as long as they are needed?	Yes	
11	Does the PC (or equivalent) and PB have a clear process for determining what information should be made public and what information should not, in line with legal requirements including local authority legislation?	Yes	

The governing body

Board structure and activities

Remuneration and fee policy



Notes:

- Good practice
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Is there a written remuneration and fee policy in place for the PC (or equivalent), PB officers and any external bodies who effectively run the scheme?	Yes	
2	If Yes, is there a process in place for this to be reviewed at least every three years?	Yes	
3	Does the remuneration policy provide the rationale for the levels of remuneration (but noting that TPR have confirmed it does not have to set out levels of remuneration paid) and include measures taken to mitigate conflicts of interest?	N/A	
4	Does your remuneration and fee policy cover all areas set out in the Code (see paragraph 3 of this module)?	N/A	

The governing body



Knowledge and understanding requirements

Knowledge and understanding

Notes:

- Partially applies / Partially good practice. For Public Service Pension Schemes this module is a requirement for Pension Board members and good practice for scheme managers (or their delegates) (i.e. Pensions Committee (or equivalent)).
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Knowledge and Skills Code of Practice and Frameworks.

Question ID	Question	Answer	Current Score
101	Do you maintain a list of items that all members of the PB should be familiar with which covers the key items set out in the Code (paragraphs 9 to 15 of this module) where relevant to the LGPS?	Yes	
2	If yes, is this list regularly reviewed (i.e. at least every three years or when new regulations / guidance are published)?	Yes	
3	Do you maintain a list of items that all members of the PC (or equivalent) (and any sub-committee) should be familiar with which covers the key items set out in the Code (paragraphs 9 to 15 of this module) where relevant to the LGPS?	Yes	
4	If yes, is this list regularly reviewed (i.e. at least every three years or when new regulations / guidance are published)?	Yes	
5	Are the key items set out in the Code (across paragraphs 9 to 15 of this module where relevant to the LGPS) covered in your training plan, including induction training, and Knowledge and Skills Policy?	Yes	

Question ID	Question	Answer	Current Score
6	Do you have a Knowledge and Skills Policy (or equivalent) that's regularly updated (i.e. every 3 years) which covers members of the PC (or equivalent), PB and Fund officers covering the expectations of the Code and in accordance with the CIPFA Knowledge and Skills Frameworks?	Yes	

The governing body



Knowledge and understanding requirements

Governance of knowledge and understanding

Notes:

- Partially applies / Partially good practice. For Public Service Pension Schemes this module is a requirement for Pension Board members. We note that there is no reference in this module to scheme managers (or their delegates) in relation to Public Service Pension Schemes. However, given the CIPFA Knowledge and Skills Code of Practice and Frameworks referred to below we would suggest that it is good practice to also apply the principles set out in this module to the Pension Committee (or equivalent). We have therefore included some good practice questions in this module shown in orange.

- This module forms part of an Effective System of Governance.

- When considering this module, you should also refer to the CIPFA Knowledge and Skills Code of Practice and Frameworks.

Question ID	Question	Answer	Current Score
1	Does the PB have a balance of skills and experience, and is it able to demonstrate and apply these skills and experience?	Yes	
2	Are new members of PB given appropriate induction training to ensure they can demonstrate the basic level of required knowledge within six months of their appointment?	Yes	
3	Do you carry out a regular review (i.e. annually) of any gaps in knowledge and skills within the PB to ensure appropriate training is provided to address these gaps?	Yes	
4	Do you maintain training and development plans for the PB to ensure knowledge is kept up to date, covering both individual and collective knowledge?	Yes	

Question ID	Question	Answer	Current Score
5	Are all PB members made aware of the required investment in time for learning and development, in addition to other duties?	Yes	
6	Do you consider and provide a range of ways for PB members to acquire knowledge?	Yes	
7	Do you retain details of training undertaken (both internally and externally) by individual members of PB, including setting out steps taken to address any gaps and meet legal requirements?	Yes	
8	Does the PC (or equivalent) have a balance of skills and experience, and is it able to demonstrate and apply these skills and experience?	Yes	
9	Are new members of PC (or equivalent) given appropriate induction training to ensure they can demonstrate the basic level of required knowledge within six months of their appointment?	Yes	
10	Do you carry out a regular review (i.e. annually) of any gaps in knowledge and skills within the PC (or equivalent) to ensure appropriate training is provided to address these gaps?	Yes	
11	Do you maintain training and development plans for the PC (or equivalent) to ensure knowledge is kept up to date, covering both individual and collective knowledge?	Yes	
12	Are all PC (or equivalent) members made aware of the required investment in time for learning and development, in addition to other duties?	Yes	
13	Do you consider and provide a range of ways for PC (or equivalent) members to acquire knowledge?	Yes	
14	Do you retain details of training undertaken (both internally and externally) by individual members of PC (or equivalent), including setting out steps taken to address any gaps and meet legal requirements?	Yes	

The governing body

Advisers and service providers

Managing advisers and service providers



Notes:

- Good practice
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do you have agreed and documented policies for making appointments to the Fund?	No	
2	Is the policy for selecting advisers and service providers approved by the PC (or equivalent) and reviewed at least every three years?	No	
3	Do you ensure sufficient resources and time is allocated to procurement activity?	Yes	
4	Are you familiar with the terms & conditions of contracts with service providers, including any national frameworks where relevant, and understand the scope of responsibilities performed by service providers and advisers?	Yes	
5	Do you assess service providers, including undertaking due diligence, as part of the appointment process?	Yes	
6	Do you clearly set out the roles and responsibilities of service providers and advisers as part of the appointment process?	Yes	
7	Do you have agreed delegations and procedures for referral (i.e. asking for work to be carried out) with service providers?	Yes	

Question ID	Question	Answer	Current Score
8	Is there an agreed process in place for ongoing management of advisers, recording decisions taken, as well as escalation points?	Yes	
9	Are there policies and processes in place for identifying and managing conflicts of interest?	Yes	
10	Do you consider and understand data protection requirements for any information shared with or handled by your service providers?	Yes	
11	Are you aware of the obligations, professional conduct rule and whistleblowing requirements placed on some advisors?	Yes	
12	Do you ensure that service providers are able to demonstrate that they have adequate internal controls relating to the services they provide?	Yes	
13	Do you regularly assess and record performance of service providers against key performance indicators and service level agreements, and have in place a process for ensuring improvements are made where poor service is identified?	Yes	
14	Do you carry out a market review for all relevant service providers?	Yes	
15	Do you work with service providers to understand expected scheme or legal changes and ensure they are able to provide the necessary resources to deal with the changes?	Yes	
16	Do you have business continuity plans in place to enable continuous and consistent provision of services in the event of a change in service provider or provider failure?	Yes	
17	When considering replacing a service provider, do you consider the interests of the scheme members?	Yes	

Question ID	Question	Answer	Current Score
18	When replacing a service provider, do you understand the impact of the terms and conditions of contracts in place, including fees or penalties and procedures for releasing relevant information?	Yes	
19	When replacing service providers and advisors, do you plan transition effectively, setting out the risks, key steps, actions, decisions, owners and timescales, including how costs will be met and how risks will be mitigated?	Yes	

The governing body



Risk management

Identifying, evaluating and recording risks

Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Managing Risk in the LGPS guidance.

Question ID	Question	Answer	Current Score
Page 108 1	Do you have a Risk Management Policy approved by the PC (or equivalent)?	Yes	Green
2	If Yes, is your policy reviewed at least every 3 years and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes	Green
3	Do you have a risk register to record all risks identified and action taken?	Yes	Green
4	Do you have an agreed process for regularly considering and identifying risks which is integrated into the day to day management of the Fund / scheme and which includes reviewing your risk register at least quarterly?	Yes	Green
5	Do you consider all of the following types of risks alongside appropriate risk mitigation techniques:		Green
5 a	▪ scheme investments, including asset-liability management	Yes	Green
5 b	▪ operation resilience, including for service providers	Yes	Green
5 c	▪ insurances, compensation funds, and other risk-mitigation techniques	No	Red
5 d	▪ environmental, social, and governance risks	Yes	Green
5 e	▪ scheme funding and covenant strength	Yes	Green
5 f	▪ the risk of fraud	Yes	Green
5 g	▪ failure to comply with the law and / or scheme rules	Yes	Green

Question ID	Question	Answer	Current Score
5 h	▪ poor record-keeping, poor administration, and IT and database failures	Yes	
5 i	▪ cyber security risks	Yes	
5 j	▪ governance and decision making, or existing controls are not operating to the standard required by pensions legislation	Yes	
5 k	▪ actual or potential conflicts of interest	Yes	
6	Does the PC (or equivalent) and PB do the following at each meeting:		
6 a	▪ identify and evaluate risks	Yes	
6 b	▪ review internal controls and risk management	Yes	
7	Do your processes for evaluating risks meet the expectations set out in the Code (see paragraph 7 in this module)?	Yes	
8	Do your processes for recording and updating risk records meet the expectations set out in the Code (see paragraph 8 in this module)?	Yes	
9	Do you have clear ownership of who monitors risks and addresses risks (both within the Fund and with third parties)?	Yes	
10	Do you get information from relevant parties (e.g. investment managers, administrator) at least quarterly to allow you to update the Risk Register?	Yes	
11	In allocating roles and responsibilities, do you:		
11 a	▪ have processes to monitor risk and issues between meetings (particularly if action is the responsibility of third-party)?	Yes	
11 b	▪ receive information from relevant parties to update the risk register (quarterly)?	Yes	
11 c	▪ recognise when professional advice is required?	Yes	

The governing body

Risk management

Internal controls



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the CIPFA Managing Risk in the LGPS guidance.

Question ID	Question	Answer	Current Score
Page 1 110 1	Do you maintain a risk management framework that clearly identifies the internal controls in place or required for mitigating risks?	Yes	Green
2	When developing your internal controls, do you ensure there is appropriate separation of duties, and that they include the processes for escalation and decision making?	Yes	Green
3	Do the internal controls ensure you administer and manage the Fund / scheme in accordance with the requirements of the law and relevant regulations?	Yes	Green
4	Are your internal controls all documented?	Partially	Yellow
5	Do you have a system to review internal controls in place regularly (e.g. at least annually, upon substantial changes to the Fund / scheme or if a control is not working to the standard required by the law)?	Partially	Yellow
6	When designing internal controls have you considered the expectations set out in the Code (see paragraph 17 in this module)?	Yes	Green

The governing body

Risk management

Assurance reports on internal controls



Notes:
- Applies

Question ID	Question	Answer	Current Score
1	Do you carry out an annual statutory audit (external audit) as part of the preparation of your Annual Report and Accounts?	Yes	
2	Do you engage with your internal auditor to suggest specific areas of concern that could be covered by an audit?	Yes	
3	Do you receive and consider assurance reporting from relevant parties (e.g. by service providers including investment managers and custodians), if they are available?	Yes	

The governing body

Risk management

Scheme continuity planning



Notes:

- Good practice. However, we note that it is a legal requirement for Public Service Pension Schemes to establish and operate internal controls and we would expect that scheme continuity planning would be included within this.

- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do you have a Fund-specific Business Continuity Plan (BCP)?	Yes	
2	Does the BCP include data and general administration?	Yes	
3	Are there clear roles and responsibilities in your BCP?	Yes	
4	Have any roles and responsibilities for service providers been agreed with them?	Yes	
5	Have you had assurance that advisers and service providers to the Fund have their own BCP in place?	Yes	
6	If you answered yes to Q5 did you review the information received from suppliers / advisers?	Yes	
7	Do you review your BCP and associated documents regularly (for example, annually) or on a change in system or process if sooner?	Yes	

Question ID	Question	Answer	Current Score
8	Does your Business Continuity approach ensure key member processes are prioritised?	Yes	
9	Does your BCP ensure continued access to resources, service and communications with key parties?	Yes	
10	Have you considered timeframes to bring new resources on board in a business continuity situation?	Yes	
11	Do you have contingency plans to address any under resourcing issues?	Yes	
12	Do you undertake Annual Business Planning to identify additional resource requirements each year for projects / non business as usual work?	Yes	

The governing body

Risk management

Conflicts of interest



Notes:

- Partially applies / Partially good practice. Our interpretation is that the internal control elements of this module apply to Public Service Pension Schemes (paragraph 3a which then refers to paragraphs 6 to 8), along with the requirements for Pension Boards (paragraphs 22 to 24). We have highlighted these paragraphs bold. The remaining paragraphs are good practice for Public Service Pension Schemes (as referenced in paragraph 3b). We have highlighted these paragraphs orange.

- This module forms part of an Effective System of Governance.

- The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module. If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.

Question ID	Question	Answer	Current Score
1	Do you have a Fund-specific conflicts of interest policy which is published covering persons involved in the governance and management of the Fund (including PC (or equivalent), PB and officers)?	Yes	
2	If yes, is this policy regularly reviewed (e.g. every 3 years) and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes	
3	Is training on the requirements of this policy provided to PC (or equivalent), PB, officers and shared with advisers?	Yes	
4	Does the PC (or equivalent) and PB consider potential and actual conflicts at every meeting, including in relation to specific agenda items and record these considerations?	Yes	

Question ID	Question	Answer	Current Score
5	Do you maintain a register of interests?	Yes	
6	Do you have a process to ensure that all new PC (or equivalent), PB members and advisers make a declaration of conflicts of interest on appointment?	Yes	
7	Have you ensured that your advisers have their own policy for managing potential conflicts which may arise?	Yes	
8	Does your Fund-specific conflicts of interest policy reflect relevant expectations of the Code (see paragraphs 9 to 19 of this module)?	Yes	
9	Do you have a process to ensure that a prospective member of the PB does not have a conflict of interest?	Yes	
10	Do you have processes to ensure that you remain satisfied that none of the members of the PB have a conflict of interest?	Yes	
11	Do you ensure that the register of interests and other relevant documents are circulated to the PB for ongoing review and are published?	Yes	

The Governing Body

Risk management

Own risk assessment



Notes:
- Good practice

Question ID	Question	Answer	Current Score
1	Have you carried out an own risk assessment (ORA) of the effectiveness of the system of governance and the management of risks and controls?	Yes	
2	Has the ORA been carried out in a manner that includes an element of independence (e.g. a third party, internal audit or persons less involved in day-to-day governance / management of the Fund / scheme)?	Yes	
3	Is the ORA documented in writing, shared with members of the PC (or equivalent) and PB and officers and signed off by the Chair of the PC (or equivalent)?	Yes	
4	Is the ORA dated, is it recorded when the next ORA will be prepared, and any interim reviews anticipated?	Yes	
5	Does the ORA consider how it has assessed the effectiveness of each of the policies and procedures covered by it?	Yes	
6	Does your ORA include whether you consider the operation of the policies and procedures to be effective and why?	Yes	
7	Does the ORA include consideration of the effectiveness of, and risks arising from each element set out in paragraphs 14 to 19 of this module (e.g. policies for the governing body, risk management policies, investment, additional investment matters for defined benefit schemes, administration and payment of benefits)?	Yes	

The Governing Body

Scheme governance

Systems of governance



Notes:

- Good practice. Our interpretation is that this module is good practice for Public Service Pension Schemes. The questions we have set in relation to this module are designed to assist you in assessing whether you meet the elements of an Effective System of Governance (ESOG). The Code lists the modules which you should ensure compliance with in order to demonstrate an ESOG. As having an ESOG is good practice for Public Service Pension Schemes all questions in this module are being shown as good practice. However a number of the modules, or areas within modules, that make up an ESOG do apply for Public Service Pension Schemes and therefore you should refer back to these specific modules to ensure you are meeting those requirements.

- You should complete this module after you have finished the other modules in this model as listed below. To assist you in answering the questions we have shown your Red, Amber, Green (RAG) score for each module alongside the question. This has been calculated based on your answers to the questions of that module. For ease of reference we have also shown the application of each module for Public Service Pension Schemes. The RAG score does not automatically determine your answer to each question as some elements will be more applicable to demonstrating an ESOG than others, noting that the ESOG focuses on the policies, processes and procedures in place to manage the scheme and meet all legal requirements. However, the RAG score will be helpful, along with reviewing the questions and answers from each specific module, for you to determine whether you are able to demonstrate compliance with that element of an ESOG.

Question ID	Question	Application of modules that form part of an ESOG for Public Service Pension Schemes	RAG score	Answer	Current Score
1	Do you wholly or mainly meet the requirements of the Role of the governing body module (see paragraph 13 in relation to Management of activities)?	Applies	100%	Yes	
2	Do you wholly or mainly meet the requirements of the Meetings and decision-making module (see paragraph 13 in relation to Management of activities)?	Applies	100%	Yes	

Question ID	Question	Application of modules that form part of an ESOG for Public Service Pension Schemes	RAG score	Answer	Current Score
3	Do you wholly or mainly meet the requirements of the Remuneration and fee policy module (see paragraph 13 in relation to Management of activities)?	Good practice	100%	Yes	
4	Do you wholly or mainly meet the requirements of the Knowledge and understanding module (see paragraph 13 in relation to Management of activities)?	Partially applies / Partially good practice	100%	Yes	
5	Do you wholly or mainly meet the requirements of the Governance of knowledge and understanding module (see paragraph 13 in relation to Management of activities)?	Partially applies / Partially good practice	100%	Yes	
6	Do you wholly or mainly meet the requirements of the Dispute resolution procedures module (see paragraph 13 in relation to Management of activities)?	Mostly applies / Partially good practice	100%	Yes	
7	Do you wholly or mainly meet the requirements of the Scheme continuity planning module (see paragraph 13 in relation to Management of activities)?	Good practice	100%	Yes	
8	Do you wholly or mainly meet the requirements of the Appointment and role of the chair module (see paragraph 14 in relation to Organisational structure)?	Mostly good practice	100%	Yes	
9	Do you wholly or mainly meet the requirements of the Conflicts of interest module (see paragraph 14 in relation to Organisational structure)?	Partially applies / Partially good practice	100%	Yes	
10	Do you wholly or mainly meet the requirements of the Managing advisers and service providers module (see paragraph 14 in relation to Organisational structure)?	Good practice	89%	Yes	
11	Do you wholly or mainly meet the requirements of the Investment governance module (see paragraph 15 in relation to Investment matters)?	Good practice	93%	Yes	

Question ID	Question	Application of modules that form part of an ESOG for Public Service Pension Schemes	RAG score	Answer	Current Score
12	Do you wholly or mainly meet the requirements of the Investment monitoring module (see paragraph 15 in relation to Investment matters)?	Good practice	100%	Yes	
13	Do you wholly or mainly meet the requirements of the Stewardship module (see paragraph 15 in relation to Investment matters)?	Partially good practice	100%	Yes	
14	Do you wholly or mainly meet the requirements of the Climate change module (see paragraph 15 in relation to Investment matters)?	Partially applies / Partially good practice	100%	Yes	
15	Do you wholly or mainly meet the requirements of the General principles for member communications module (see paragraph 16 in relation to Communications and disclosure)?	Applies	100%	Yes	
16	Do you have a documented policy / procedure including a timetable to review (at least every three years) to assess whether the elements that make up each of the areas above are functioning properly?			Partially	
17	Do you wholly or mainly meet the requirements of the Identifying, evaluating and recording risks module in order to comply with the requirements for internal controls (see paragraph 24 in relation to Internal controls)?	Applies	91%	Yes	
18	Do you wholly or mainly meet the requirements of the Internal controls module in order to comply with the requirements for internal controls (see paragraph 24 in relation to Internal controls)?	Applies	83%	Yes	
19	Do you wholly or mainly meet the requirements of the Financial transactions module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Applies	100%	Yes	
20	Do you wholly or mainly meet the requirements of the Record-keeping module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Partially applies / Partially good practice	97%	Yes	

Question ID	Question	Application of modules that form part of an ESOG for Public Service Pension Schemes	RAG score	Answer	Current Score
21	Do you wholly or mainly meet the requirements of the Data monitoring and improvement module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Applies	100%	Yes	
22	Do you wholly or mainly meet the requirements of the Receiving contributions module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Partially applies	100%	Yes	
23	Do you wholly or mainly meet the requirements of the Monitoring contributions module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Applies	86%	Yes	
24	Do you wholly or mainly meet the requirements of the Maintenance of IT systems module in order to comply with the requirements for internal controls (see paragraph 25 in relation to Administration and management)?	Applies	100%	Yes	



Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 3 out of 4 modules



No questions are red and no questions are amber out of 37 questions. 1 question is unanswered.

Essential actions

None

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment



Investment

Essential Actions

Module	Question	Action
1	No Actions	

Other Actions

Module	Question	Action
1	No Actions	

Funding and investment



Modules

Investment

- Investment governance (4)
- *Investment decision making (7)*
- Investment monitoring (4)
- Stewardship (6)
- Climate change (3,6)
- *Statement of investment principles (6)**
- *Default arrangements and charge restrictions (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

* Note that for the Statement of investment principles module the Code references good practice for PSPSs. However, due to the overriding legal requirement to have an Investment Strategy Statement (ISS) in place we have not included any questions on this module but have referred to the ISS within the Investment governance module.



Funding and investment



Investment

Investment governance

Notes:

- Good practice for Local Government Pension Schemes. (This module doesn't apply for any unfunded Public Service Pension Schemes).
- This module forms part of an Effective System of Governance.
- Within this module (and the other modules within the Funding and investment section) there are references to the statement of investment principles (SIP). For LGPS funds a broadly equivalent document is the Investment Strategy Statement (ISS). We have therefore included questions in relation to the ISS where appropriate. We note that although the questions in this module are good practice only it is a requirement to have an ISS as set out in the LGPS Investment Regulations 2016.

Question ID	Question	Answer	Current Score
1	Can the PC (or equivalent) demonstrate a good working knowledge of investment matters including their powers and duties relating to their Fund (i.e. is this sufficient to evaluate and challenge the advice received from advisers and service providers)?	Yes	
2	Do you have an Investment Strategy Statement (ISS) approved by the PC (or equivalent) in accordance with the LGPS regulations? (Note that although this module is good practice for LGPS it is a requirement of the LGPS Investment Regulations 2016 that Funds must publish an ISS).	Yes	
3	Is the ISS regularly reviewed (at least every 3 years) and is it currently up to date, accurate, relevant and in accordance with the regulations and guidance? (Note this is also a requirement of the LGPS Investment Regulations 2016).	Yes	
4	Do you clearly document the objectives, roles, responsibilities and reporting relationships of all parties involved in making investment decisions, including where investment decisions are delegated?	Yes	

Question ID	Question	Answer	Current Score
5	Do you ensure that those making investment decisions have the necessary skills, knowledge, information and resources?	Yes	
6	Do you obtain advice and other inputs required from a suitably qualified person to properly govern the scheme's investments?	Yes	
7	Is the governance structure relating to the assessment of investment risks reviewed regularly and appropriate for your Fund?	Yes	
8	Does the PC (or equivalent) delegate investment decisions where appropriate for their Fund's circumstances and level of complexity (e.g. to an investment subcommittee or a qualified investment manager)?	Yes	
9	Are there clear strategic objectives set for appointed investment advisers?		
10	Does your ISS consider potential long-term effects on scheme investments?	Yes	
11	Do you regularly monitor the performance of your investment managers, including the pool and advisers, including carrying out a formal review at least every 3 years?	Yes	
12	Does the PC (or equivalent) consider the performance of investments quarterly, against the benchmark objectives?	Yes	
13	Do you ensure that your Additional Voluntary Contribution (AVC) arrangements meet the requirements of the Code in relation to DC elements (see list in paragraph 10 of this module)?	N/A	
14	Do you have a policy for ensuring investment decisions consider the form and structure of liabilities, the range of employers in the Fund, the employer risk / covenant of those employers, and your Fund's access to cash as required?	Yes	

Funding and investment



Investment

Investment monitoring

Notes:

- Good practice for Local Government Pension Schemes. (This module doesn't apply for any unfunded Public Service Pension Schemes).
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do those responsible for your investment governance carry it out with the best interests of scheme members and their beneficiaries in mind?	Yes	
2	Do you have a process to review and negotiate contractual arrangements with investment managers and advisers (either themselves or via delegation to your LGPS pool)?	Yes	
3	Do you regularly review the performance of the investment managers, the pool, and advisers (e.g. against the objectives set for them, their delegated responsibilities and any legal obligations)?	Yes	
4	Do you have procedures to monitor investment performance regularly, against benchmarks and stated short and long-term investment objectives?	Yes	
5	When monitoring investment performance, are investment returns before and after fees considered, and does the process consider whether fees and costs are justified?	Yes	

Question ID	Question	Answer	Current Score
6	Do you consider whether and how to report to interested parties on investment matters, such as scheme members and participating employers?	Yes	
7	Do you ensure that monitoring information is prepared at least quarterly?	Yes	
8	Do you ensure that the analysis of monitoring information includes a stress test, scenario test, or other risk assessment information, to assess the impact of changing circumstances on scheme assets and if relevant, funding level?	N/A	
9	Do you monitor the level of investment risk run to deliver the performance and how this compares with the investment manager's risk targets?	Yes	
10	Do you consider and have processes in place to ensure compliance with environmental, social and governance (ESG) matters and shareholder engagement?	Yes	
11	Do you ensure that controls are in place to alert you to potential financial risks relating to your investment managers?	Yes	
12	Do you regularly assess the effectiveness of processes, ensuring proper review and monitoring of investments and making improvements, as appropriate?	Yes	
13	Have you set clear expectations for investment managers (including your LGPS pool) in relation to monitoring of information and investment risk covering the factors set out in this module?	Yes	

Funding and investment



Investment

Stewardship

Notes:

- Partially good practice. Our reading of this module is that it is partially good practice for Public Service Pension Schemes. See paragraphs 12 and 13 which are shown in bold in the extract below. Regardless, the LGPS Investment Regulations 2016 do state that the authority's investment strategy must include "the authority's policy on how social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments; and the authority's policy on the exercise of the rights (including voting rights) attaching to investments."

- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Does your ISS include your policy on the exercise of the rights (including voting rights) attached to investments and consider your approach to voting and engagement on relevant matters, including on ESG?	Yes	
2	During the investment manager selection do you obtain the investment managers' stewardship policies and are they regularly reviewed?	Yes	
3	Are you (or your pool) a Signatory to the Financial Reporting Council's UK Stewardship Code?	Yes	
4	Do you engage with investee companies and collaborative industry initiatives directly or indirectly, with a view to mitigating risks to long-term investment goals?	Yes	
5	Do you cooperate with other institutional investors on ESG issues?	Yes	

Funding and investment



Investment

Climate change

Notes:

- Partially applies / Partially good practice. Our reading of this module is that it partially applies and is partially good practice for Public Service Pension Schemes . Paragraph 7 applies and paragraphs 4, 5, 6, 8 and 9 are good practice (shown in bold and orange below respectively).

- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do you assess the risks and opportunities associated with climate change as part of your risk management?	Yes	
2	Do you engage with your advisers and asset managers about how they incorporate climate risk and opportunities into their investment advice to you, and understand how climate risk is considered in investment portfolios?	Yes	
3	Do you consider the possible short, medium and long-term effects of climate change on your objectives and operations?	Yes	
4	Do you document processes for identifying and assessing climate-related risks and opportunities and integrate these into your risk management and governance arrangements?	Yes	
5	Do you ensure you oversee, assess, and manage climate-related risks and opportunities relating to the Fund?	Yes	

Administration



Administration – at a glance



Scheme administration

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 16 questions.

Information handling

Fully compliant in 3 out of 4 modules



No questions are red and 1 question is amber out of 42 questions.

Essential actions

None

IT

Fully compliant in 1 out of 2 modules



3 questions are red and no questions are amber out of 17 questions.

Contributions

Fully compliant in 2 out of 3 modules



1 question is red and no questions are amber out of 13 questions.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Administration



Scheme administration

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 Planning and maintaining administration	2	Bespoke Administration issues training will be provided to all PC & LPB, in conjunction with our administration partners, Hamshire Pension Services

Information handling

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

Module	Question	Action
1 No Actions		

IT

Essential Actions

Module	Question	Action
1 No Actions		

Other Actions

<u>Module</u>	<u>Question</u>	<u>Action</u>
1 No Actions		

Contributions

Essential Actions

<u>Module</u>	<u>Question</u>	<u>Action</u>
1 No Actions		

Other Actions

<u>Module</u>	<u>Question</u>	<u>Action</u>
1 No Actions		

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

- Financial transactions (1)
- Transfers out (2)
- Record-keeping (3,6)
- Data monitoring and improvement (1)

IT

- Maintenance of IT systems (1)
- Cyber controls (2,6)

Contributions

- Receiving contributions (3)
- Monitoring contributions (1)
- Resolving overdue contributions (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Administration



Scheme administration

Planning and maintaining administration

Notes:
- Applies

Question ID	Question	Answer	Current Score
1	Is induction training on administration provided to all PB and PC (or equivalent) members within 6 months of appointment?	Yes	
2	Is update / refresher training on administration (including hot topics) provided to all PB and PC (or equivalent) members?	Yes	
3	Have you documented the administration responsibilities and tasks, including who carries out each of these within the teams (including if a third party / shared service)?	Yes	
4	Does PB / PC (or equivalent) training include a high level overview of responsibilities / tasks in relation to administration, including who performs them (i.e. third party administrator / shared service or who in the in-house team)?	Yes	
5	If administration is outsourced to a third-party have the following aspects been considered as part of the tender process:		
5 a	▪ Appropriate advice and assistance to negotiate contractual terms?	Yes	
5 b	▪ Consideration of quality and value for members when selecting the administrator?	Yes	
6	Is administration considered at all (or most) meetings of the PB and PC (or equivalent)?	Yes	

Question ID	Question	Answer	Current Score
7	Is administration and record-keeping included in your risk register?	Yes	
8	Do you have a Pensions Administration Strategy in place?	Yes	
9	Does your Business Plan outline the key administration tasks / areas of focus for the next 3 years?	Yes	
10	Are administration processes monitored regularly to ensure they are being carried out correctly and improvements made, where required (i.e. periodic checks take place to ensure proper checking and peer review of administration tasks across all processes to ensure compliance with legislation and Fund requirements)?	Yes	
11	Does the administration service (whether in-house or outsourced) provide regular reports (i.e. KPI reports, caseload reports, progress against business plan etc) to senior officers (e.g. at least monthly) which enables them to monitor the team / administrator's performance and challenge the information received?	Yes	
12	If administration is outsourced to a third-party is their performance regularly monitored against contractual (including overriding legal) requirements, and are issues with performance used to drive improvements?	Yes	
13	Does your Business Plan include the date any third party administration / shared service contract is due to cease, with appropriate lead in time to review the approach?	N/A	
14	Are all administration processes documented in a way that would enable continuous and consistent service during an absence or change in personnel or administration provider?	Yes	
15	Is there a robust business continuity plan in place for the administration service (either in-house or outsourced) which is reviewed annually and regularly tested?	Yes	

Question ID	Question	Answer	Current Score
16	Are there clearly documented administration procedures which are regularly reviewed and updated when required due to changes in the scheme rules / internal processes?	Yes	

Administration

Information handling

Financial transactions



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- This module applies to all financial transactions, including benefits, contributions and investments and you should therefore ensure all financial transactions are considered in answering these questions.

Question ID	Question	Answer	Current Score
1	Are PB and PC (or equivalent) members aware of the general procedures and controls used to ensure financial transactions are processed promptly and accurately?	Yes	
2	Financial transactions reviews:		
2 a	▪ Do you review all processes and systems relating to financial transactions annually?	Yes	
2 b	▪ Does that review lead to improvements in the processes relating to financial transactions, if required?	Yes	
3	Is there a clear and effective authorisation process in place for financial transactions?	Yes	
4	Are processes relating to financial transactions segregated and managed at appropriate levels to ensure suitable authorisation of transactions?	Yes	
5	Are all payments to and from the Fund made electronically with cheques only used in exceptional cases?	Yes	

Question ID	Question	Answer	Current Score
6	Are there clear service standards and Service Level Agreements (SLAs) in relation to financial transactions in place with employers and other stakeholders, and in relation to internal Fund transactions?	Yes	
7	Do you undertake regular reviews of performance against service level agreements for financial transactions and assess if it is satisfactory?	Yes	
8	Do you have clear processes in place around communications with employers to ensure information relating to financial transactions flows appropriately?	Yes	
9	Do you undertake regular reviews of scheme data to ensure it is accurate and complete so that financial transactions can be processed accurately?	Yes	

Administration

Information handling

Transfers out



Notes:

- **Mostly applies.** We note that paragraph 9 in this module does not apply to Public Service Pension Schemes.
- **When considering this module, you should also refer to the Pension Regulator's guidance on Dealing with transfer requests (on TPR website see Scheme management detailed guidance / Administration / Dealing with transfer requests).** You should also have regard to industry good practice set out in the Pension Scams Industry Group (PSIG) Code of Good Practice.

Question ID	Question	Answer	Current Score
1	Do you have clear procedures to deal with transfer out requests in a timely manner?	Yes	
2	Do you:		
2 a	▪ monitor whether you provide CETVs within the legal timeframe?	Yes	
2 b	▪ provide CETVs within the legal timeframe?	Yes	
2 c	▪ complete transfer out payments within the legal timeframe?	Yes	
3	Do you undertake the necessary checks before transferring member benefits to another arrangement, including:		
3 a	▪ check the receiving scheme is willing and able to accept the transfer and the receiving scheme is a scheme to which a transfer can legally be made?	Yes	

Question ID	Question	Answer	Current Score
3 b	▪ check one of the conditions to transfer is met to grant a statutory right to transfer and if neither condition is met and the receiving scheme may be an illegitimate arrangement refuse the transfer and inform the member and report it to Action Fraud?	Yes	
4	When a member aged over 50 with an AVC arrangement contacts you enquiring about transferring their AVC arrangement out to another DC scheme in order to access flexible benefits do you refer them to Pension Wise?	Yes	
5	Do you undertake the necessary checks as outlined in the Code (as per paragraphs 10 to 12 of this module) before transferring member benefits above £30,000 to a DC arrangement, including that independent advice has been sought from a provider you have verified and you have received written confirmation of the advice?	Yes	
6	Are all records relating to the transfer (this includes all documentation as well as file notes from phone calls / workflow tasks etc) retained for as long as is relevant and in line with data protection principles?	Yes	

Administration

Information handling

Record keeping



Notes:

- Partially applies / Partially good practice. Paragraphs 7, 9 and 11 of this module are shown as good practice. Therefore we have shown the questions relating to these paragraphs as being good practice only.

- This module forms part of an Effective System of Governance.

- The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module. If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.

- This module applies to record keeping across various areas including member records, transactions and meetings and you should therefore ensure all record keeping is considered in answering these questions. You should also consider the Public Service Pensions (Record Keeping and Miscellaneous Amendment Regulations 2014).

Question ID	Question	Answer	Current Score
1	Overall do you (and any third party administrator / shared service) record the information required as listed in the Record Keeping Regulations for:		
1 a	▪ Members and beneficiaries' data?	Yes – Evidence provided	
1 b	▪ Transactions?	Yes – Evidence provided	

Question ID	Question	Answer	Current Score
1 c	▪ Pension Board meetings and decisions?	Yes – Evidence provided	
2	Do you (and any third-party administrator / shared service) have processes in place to maintain accurate and up-to-date records covering:		
2 a	▪ Members and beneficiaries' data?	Yes	
2 b	▪ Transactions?	Yes	
2 c	▪ Pension board meetings and decisions?	Yes	
3	Do you (and any third-party administrator / shared service) retain records for as long as the information is relevant and in line with data protection legislation?	Yes	
4	Do you (and any third-party administrator / shared service) store data securely and for legitimate purposes only on administration systems?	Yes	
5	Are all member and benefit records held electronically on a dedicated administration system?	Yes	
6	Are records kept of changes to Fund governing documents (e.g. strategies and policies), including records of how the changes have been applied to your members?	Yes	
7	Do you (and any third-party administrator / shared service):		
7 a	▪ Hold all basic member data defined as common data?	Yes	
7 b	▪ Identify, record and validate data defined as scheme specific data?	Yes	

Question ID	Question	Answer	Current Score
8	Do you continually consider technological developments to improve administration and record keeping?	Yes	
9	Do you have processes in place to record member benefits, identifiers, contributions, investments and disinvestments, member decisions, payments, transfers and accurately carry out benefit calculations?	Yes	
10	Do you issue Annual Benefit Statements as required by law, which are accurate, include both accrued and projected benefit amounts and issued in the timescales required? (For LGPS this is by 31 August each year and must be sent to active, deferred, deferred pensioner and pension credit members).	Yes	
11	Do you carry out reconciliations of data, transactions and investments?	Yes	
12	Are there reporting mechanisms in place to identify members approaching retirement and other scheme specific events?	Yes	
13	Do you use software to allow financial and other transactions to be carried out automatically and securely (e.g. monthly scheme member data uploads from employers)?	Yes	
14	Do you regularly generate reports relating to, contributions, membership movements, core data and scheme specific data?	Partially	
15	Do you have processes in place to enable employers to provide timely and accurate data?	Yes	
16	Do you have processes and policies in place to reconcile scheme data with employer data?	Yes	
17	Do you have processes in place to identify where an employer fails to meet their legal duties relating to the scheme, and an escalation process in place to manage that situation?	Yes	

Question ID	Question	Answer	Current Score
18	Do employers understand the main events that must be reported and do you provide ongoing employer information such as employer guides and training to assist employers understand their responsibilities in communicating member information to the scheme?	Yes	

Administration

Information handling

Data monitoring and improvement



Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do you (and any third party administrator / shared service) have processes in place to monitor scheme data in line with the requirements of the Code (paragraphs 5a to 5h in this module)?	Yes	
2	Do you assess the need for a data review exercise at least annually (including in relation to any third party administrator / shared service), and identify where any additional data review is needed due to scheme or administrator changes?	Yes	
3	Do you (and any third party administrator / shared service) assess the accuracy and completeness of common data and scheme specific data?	Yes	
4	Do you keep a record of data reviews undertaken and their findings (including by any third party administrator / shared service)?	Yes	
5	Is a data improvement plan in place which is being monitored, actions progressed, and with defined target dates?	Yes	
6	Have you clearly documented decisions / policies related to areas where data cannot be corrected?	Yes	

Question ID	Question	Answer	Current Score
7	Do your member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles?	Yes	
8	Do you have processes in place to address any breaches of the data protection legislation?	Yes	
9	Are all administering authority staff trained in understanding the requirements of data protection law?	Yes	

Administration



IT

Maintenance of IT systems

Notes:

- Applies
- This module forms part of an Effective System of Governance.

Question ID	Question	Answer	Current Score
1	Do you record evidence of how changes are planned and executed within your IT systems?	Yes	
2	Is scheme and member data backed up regularly?	Yes	
3	Are disaster recovery plans in place for IT system failures and are these regularly tested?	Yes	
4	Do you have a written policy / policies for maintaining, upgrading and replacing hardware and software?	Yes	
5	Are you satisfied that adequate IT and personnel resources are available with appropriate functionality / skills?	Yes	
6	Are you able to demonstrate that your IT systems can meet current and anticipated system requirements, including having a schedule for the software to be replaced or updated when legislation changes occur (e.g. for regular changes to tax thresholds / revaluation etc)?	Yes	

Question ID	Question	Answer	Current Score
7	Are you able to demonstrate that you have plans in place to manage expected and potential future upgrades within the administration system?	Yes	
8	Do you ensure that your service providers (note - not just IT service providers) meet TPR's standards for maintaining their own IT systems as set out in paragraph 5 of this module?	Yes	

Administration



IT

Cyber controls

Notes:

- **Mostly applies / Partially good practice.** Our interpretation is that most of this module applies to **Public Service Pension Schemes**. Paragraphs 3 and 4 of this module refer to internal controls which is a legal requirement for **Public Service Pension Schemes**. Therefore all questions within this module are shown as applying.

- **The internal control requirements under section 249B of the Pensions Act 2004 are highlighted in the Code in relation to this module.** If any elements are highlighted as good practice only, you should still ensure that you have the appropriate internal controls in place.

- **When considering this module, you should also refer to the Pension Regulator's guidance on Cyber security principles for pension schemes (on TPR website see Scheme management detailed guidance / Administration / Cyber security principles).**

Question ID	Question	Answer	Current Score
1	Do you have a Fund specific Cyber Policy / strategy covering the recommended areas set out in the Code? (paragraphs 8 and 9 of this module)?	No	
2	Can the PB and PC (or equivalent) demonstrate good knowledge and understanding of cyber risk and how this relates to the Fund?	Yes	
3	Do you understand the need for confidentiality, integrity and availability of the systems and services for processing personal data?	Yes	

Question ID	Question	Answer	Current Score
4	Do you have a Fund specific Cyber Incident Response Plan which contains: a) clearly defined roles and responsibilities to identify cyber risk and breaches; and b) how to respond to cyber incidents?	No	
5	Do you include cyber risks on the Fund's risk register and is this regularly reviewed and discussed at PC (or equivalent) meetings?	Yes	
6	Do you have access to specialist skills and expertise to assist you with understanding and managing cyber risk?	Yes	
7	Do you (or any third party administrator / shared service) have appropriate system controls in place which are up to date (e.g. firewalls, anti-virus and anti-malware products)?	Yes	
8	Have you documented details such as use of devices and working remotely (i.e. Cyber Hygiene guidelines)?	No	
9	Do you receive appropriate assurance of service providers' internal cyber controls?	Yes	

Administration

Contributions

Receiving contributions



Notes:

- Partially applies. Our reading of this module is that it partially applies for Public Service Pension Schemes. Paragraphs 1, 2 and 4 apply whilst paragraphs 5 and 6 do not apply (as Public Service Pension Schemes are exempt as set out in paragraph 4).

- This module forms part of an Effective System of Governance.

- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

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Question ID	Question	Answer	Current Score
1	Do you have in place a Rates and Adjustments Certificate, and do you notify all employers in writing of (a) their required contribution rates in accordance with that Certificate and (b) scheme member contribution rates as updated annually in accordance with the scheme regulations?	Yes	
2	Do you have systems in place to monitor the payment of contributions from employers, and quickly identify and pursue any missing payments, and do you maintain records of missed contributions and all recovery activities?	Yes	

Administration

Contributions

Monitoring contributions



Notes:

- Applies
- This module forms part of an Effective System of Governance.
- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

Question	Question	Answer	Current Score
1	Do you have a contributions' monitoring record to determine whether the correct rate of employer contributions are paid, paid on time and in full, and does it include the information required by paragraph 7 in this module?	Yes	Green
2	Do you keep records of any employer contributions due to the Fund that have been written off, including copies of decisions / authorisation in relation to these?	No	Red
3	If administration is outsourced to a third-party who carries out monitoring of contributions for you, do you receive regular information on the payment of contributions to the Fund including when employers have failed to meet deadlines, are paying incorrect amounts or are not providing the required information?	Yes	Green
4	Do you record and retain information on transactions that supports your monitoring responsibilities, including records of all contributions received in relation to each scheme member and payments of pensions and other benefits?	Yes	Green
5	Do you carry out regular (at least annual) spot checks on the amount of scheme member contributions being deducted by employers?	Yes	Green

Question

Question

Answer

Current Score

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Question ID	Question	Answer	Current Score
6	Do you have internal controls in place to reconcile all contribution payments notified by an employer against the amounts actually received, and all scheme member contributions notified by an employer against the amounts uploaded to individual scheme member records?	Yes	
7	Do you have processes in place to check on an ongoing basis that employers are providing sufficient information to allow you to monitor both scheme member and employer contributions and that the information provided is in accordance with the LGPS regulation 69(3) and the Code (paragraphs 11a, b and c in this module)?	Yes	

Administration

Contributions

Resolving overdue contributions



Notes:

- Applies
- Refer to Local Government Pension Scheme Regulations 2013, particularly regulations 67, 68 and 71 for requirements relating to payments of contributions.

Question ID	Question	Answer	Current Score
1	Do you have a documented process and systems in place for dealing with overdue payments and rectifying administration errors, and do they cover the steps outlined in the Code (paragraphs 4a to 4i of this module)?	Yes	
2	Where a payment failure has occurred, do you maintain a record of your investigation, all decisions made and by whom, and communications with the relevant employer?	Yes	
3	Do you periodically undertake a review of processes to detect situations of deliberate underpayment or fraudulent behaviour of an employer?	Yes	
4	Does your process include steps to identify whether a payment failure is of material significance in order to determine whether it should be reported to TPR?	Yes	

Communications and disclosure



Communications and disclosure – at a glance



Information to members

Fully compliant in 5 out of 5 modules



No questions are red and no questions are amber out of 22 questions.

Public information

Fully compliant in 2 out of 2 modules



No questions are red and no questions are amber out of 14 questions.

Essential actions

None

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Communication and disclosure



Information to members

Essential Actions

Module	Question	Action
1	No Actions	

Other Actions

Module	Question	Action
1	No Actions	

Public information

Essential Actions

Module	Question	Action
1	No Actions	

Other Actions

Module	Question	Action
1	No Actions	

Communication and disclosure



Modules

Information to members

- General principles for member communications (1)
- *Annual pension benefit statements (DC)* (7)
- *Summary funding and pension benefit statements (DB)* (7)
- Benefit information statements (PSPS) (1)
- Retirement risk warnings and guidance (1)
- Notification of right to cash transfer sum or contribution refund (2)
- *Chair's statement* (7)
- Scams (1)
- *Audit requirements* (7)

Public information

- Publishing scheme information (PSPS) (2,6)
- Dispute resolution procedures (2,6)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Communications and disclosure



Information to members

General principles for member communications

Notes:

- Applies
- This module forms part of an Effective System of Governance.
- When considering this module, you should also refer to the Pension Regulator's guidance on Equality, Diversity and Inclusion (on TPR website see Scheme management detailed guidance / Governing body / Equality, diversity and inclusion (EDI)).

Question ID	Question	Answer	Current Score
1	Do you:		
1 a	▪ understand the legal requirements around the information you must provide to members and the required timescales as outlined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and other legislation?	Yes	
1 b	▪ monitor whether you meet the legal timescales as outlined in The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and other legislation?	Yes	
1 c	▪ meet these legal requirements in relation to the information being provided within the required timescales?	Yes	
2	Do you follow the principles of plain English in your communications and ensure that all communications sent to members are accurate, clear, concise and relevant?	Yes	

Question ID	Question	Answer	Current Score
3	Do you consider member engagement, equality, diversity and inclusion when developing member communications to ensure they are accessible for all, including use of accessible on-line content, audio, alternative languages etc?	Yes	
4	Do you regularly review member communications for accuracy and good practice, taking account of member feedback?	Yes	
5	Do you consider and where appropriate, maximise the use of technology in assisting with communication to members, for example the use of a member self-service portal for the membership?	Yes	
6	Do you regularly provide additional information and explanation to members to help them make informed decisions?	Yes	
7	Do you regularly communicate the benefits of the scheme to the membership?	Yes	
8	Do you have a Communications Policy which has been approved by your PC (or equivalent)?	Yes	
9	If yes, do you review your Communications Policy regularly (at least every three years), and is it currently up to date, accurate, relevant and in accordance with LGPS Regulations?	Yes	

Communications and disclosure



Information to members

Benefit information statements (PSPS)

Notes:
- Applies

Question ID	Question	Answer	Current Score
1	Do you issue all Annual Benefit Statements (covering active members, deferred members, deferred pensioner members and pension credit members) within the required legal timescales (by 31st August)?	Yes	
2	Does the statement for active members include a description of the benefits earned by the member during their pensionable service?	Yes	
3	Do the statements comply with HM Treasury directions and LGPS regulations in terms of what information is included and the way it must be provided to members?	Yes	
4	Are annual benefit statements provided to all members with AVCs within the required timescales?	Yes	
5	Do the annual benefit statements provided to members with AVCs meet the legal requirements in relation to the information provided?	Yes	

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Communications and disclosure



Information to members

Retirement risk warnings and guidance

Notes:
- Applies. This module applies in relation to Additional Voluntary Contribution (AVC) arrangements.

Question ID	Question	Answer	Current Score
1	Do you provide information about Pension Wise with application forms or any other methods that allow members to take payment of their AVC plan, where this is required by legislation?	Yes	
2	Do you check that members have completed and signed a declaration form confirming they have taken guidance or opted out of guidance before processing a member's AVC choices upon drawing benefits, where this is required by legislation?	Yes	

Communications and disclosure



Information to members

Notification of right to cash transfer sum or contribution refund

Notes:

- **Mostly applies. We note that paragraph 8 in this module does not apply to Public Service Pension Schemes.**
- **When considering the information in this module, you should also be mindful of other legal timescales including 27A(1)(a) of The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 requiring notification of rights and options available on leaving within 2 months of being notified pensionable service has terminated.**

Question	Question	Answer	Current Score
1	Where a member has a right to a cash transfer sum (i.e. cash equivalent transfer value) or a contribution refund do you provide written notice to the member containing the information required to explain their rights, within three months of the date the member leaves the scheme, and advise members where it is likely to take more than three months to provide the information?	Yes	
2	When writing to members about a cash transfer sum or a contribution refund do you give them at least three months to reply and are their wishes carried out within three months of receiving them?	Yes	

Communications and disclosure



Information to members

Scams

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator's guidance on Dealing with transfer requests (on TPR website see Scheme management detailed guidance / Administration / Dealing with transfer requests). You should also have regard to industry good practice set out in the Pension Scams Industry Group (PSIG) Code of Good Practice.

Question ID	Question	Answer	Current Score
1	Do you (or any third party administrator / shared service) have the appropriate internal controls in place to ensure that appropriate steps are taken to mitigate the risk of a scam?	Yes	
2	Are you aware of the warning signs of a scam and do you consider whether these are present when dealing with member requests to transfer out or take benefits?	Yes	
3	Do you ensure that members are provided with relevant information and communications to make them aware of the risks of pension scams?	Yes	
4	Are appropriate due diligence checks carried out when members request a transfer out of the scheme to a Defined Contribution arrangement, where appropriate, and is a check made that at least one of the conditions for a transfer to proceed has been met (i.e. not applicable for a club transfer)?	Yes	

Communications and disclosure



Public information

Publishing scheme information (PSPS)

Notes:

- Mostly applies / Partially good practice. Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 6) which sets out a number of items which scheme managers 'may' wish to publish. Therefore we have shown the question relating to this paragraph as being good practice only.

Question ID	Question	Answer	Current Score
1	Do you publish and maintain the required information about the PB (i.e. who the PB members are, scheme member representation and the matters the PB is responsible for)?	Yes	
2	Do you publish other useful related information about the PB as set out in paragraph 6 of this module?	Yes	
3	Do you have policies and processes to monitor all published data relating to the PB on an ongoing basis to ensure it is accurate and complete?	Yes	
4	Do you ensure any out of date or incorrect information identified is updated as soon as possible and in any event within one month?	Yes	

Communications and disclosure



Public information

Dispute resolution procedures

Notes:

- **Mostly applies / Partially good practice.** Whilst most of this module applies for Public Service Pension Schemes we note that it includes a paragraph (paragraph 12) which refers to good practice. Therefore we have shown the questions relating to this paragraph as being good practice only.

- **This module forms part of an Effective System of Governance.**

- **The TPR Code clearly states that for Public Service Pension Schemes where the regulations provide for shorter periods to consider grievances than that specified in the Code, those regulations will apply. Therefore, when considering the information in this module, you should also be aware of the scheme specific requirements including regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013.**

Question ID	Question	Answer	Current Score
1	Do you have a formal internal dispute resolution procedure including a documented and clear application process for members and prospective members to follow?	Yes	
2	Do you provide your internal dispute resolution procedure to:		
2 a	▪ Prospective members where practical?	Yes	
2 b	▪ Any scheme members who may not have been given the information?	Yes	
2 c	▪ On request from members, if not already provided in the previous 12 months?	Yes	

Question ID	Question	Answer	Current Score
3	Do you provide members with information about the Money and Pensions Service and the Pensions Ombudsman at certain stages of the dispute?	Yes	
4	Do you regularly review and assess compliance with legislation and the effectiveness of your dispute procedure, including ensuring all appropriate information is available and whether separate advice is required to reach a decision?	Yes	
5	Do you have an appointed person (the adjudicator) for dealing with stage 1 disputes and is this person's contact details provided when providing members with the dispute procedure and notifying members of a first instance decision?	Yes	
6	Is the following information made available to members / prospective members as part of any notification of their rights or liabilities under the scheme:		
6 a	▪ The process to apply for a dispute to be resolved, including to who?	Yes	
6 b	▪ The information that an applicant must include?	Yes	
6 c	▪ The process by which decisions are reached?	Yes	
7	Do you ensure that timescales relating to the different stages of the dispute procedure meet the requirements of the LGPS regulations and the Code?	Yes	
8	Does your published procedure include the time limits within which members or prospective members must make an application?	Yes	
9	Do you make your procedure accessible to members and potential applicants by publishing it on a scheme website?	Yes	
10	Do you keep applicants informed of the progress of their dispute, in particular if it is looking likely the timeframes may not be met?	Yes	

Reporting to TPR



Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 3 questions.

Whistleblowing- Reporting breaches of the law

Fully compliant in 4 out of 4 modules



No questions are red and no questions are amber out of 11 questions.

Essential actions

None

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Reporting to TPR



Regular reports

Essential Actions

Module	Question	Action
1	No Actions	

Other Actions

Module	Question	Action
1	No Actions	

Whistleblowing - reporting breaches of the law

Essential Actions

Module	Question	Action
1	No Actions	

Other Actions

Module	Question	Action
1	No Actions	

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

- Who must report (1)
- Decision to report (1)
- How to report (1)
- Reporting payment failures (1)

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply



Reporting to TPR



Regular reports

Registrable information and scheme returns

Notes:
- Applies

Question ID	Question	Answer	Current Score
1	Is your Fund / scheme registered with TPR?	Yes	
2	Are you aware of the requirement to report any changes to registrable information to TPR as soon as is reasonably practicable, and at the very latest, within five working days of you becoming aware of the change? (Note this includes changes to contact details and employers).	Yes	
3	Do you ensure that your scheme return is completed accurately and submitted annually in the required timescale?	Yes	

Reporting to TPR



Whistleblowing – reporting breaches of the law

Who must report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator’s guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Question ID	Question	Answer	Current Score
1	Do you have arrangements in place, such as a documented Breaches of the Law Procedure (or equivalent) and separate processes, to ensure breaches of the law are identified, recorded and managed?	Yes	
2	Is this Procedure (or equivalent) regularly reviewed (at least every three years), and is it currently up to date, accurate, relevant and in accordance with legal and Code requirements?	Yes	
3	Have you provided your Breaches of the Law Procedure (or equivalent) to those responsible for reporting breaches to ensure they are aware of their legal responsibilities and requirements of the Code to report breaches to TPR (i.e. Fund Officers, PCs (or equivalent), PBs, Service Providers, Employers, Professional Advisers)?	Yes	
4	Do you provide additional training on reporting breaches to those responsible for reporting breaches and does this highlight (a) that breaches of the law go beyond administrative tasks and record keeping and (b) the whistleblowing protection?	Yes	

Reporting to TPR



Whistleblowing – reporting breaches of the law

Decision to report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator’s guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Question ID	Question	Answer	Current Score
1	Does your Breaches of the Law Procedure (or equivalent) include information to ensure that TPR’s expectations for identifying and assessing breaches are met?	Yes	
2	Does your Breaches of the Law Procedure (or equivalent) include a process to determine whether a breach or potential breach of the law is of “material significance” taking into account the cause, effect and reaction to the breach, including where TPR guidance can be found?	Yes	

Reporting to TPR



Whistleblowing – reporting breaches of the law

How to report

Notes:

- Applies
- When considering this module, you should also refer to the Pension Regulator’s guidance on Complying with the duty to report breaches of law (on TPR website see Scheme management detailed guidance / Communications and reporting / Complying with the duty to report breaches of law).

Question ID	Question	Answer	Current Score
1	Does your Breaches of the Law Procedure (or equivalent) include all the elements within paragraph 2a to 2f of this module?	Yes	
2	Do you make information available to those responsible for reporting breaches for your Fund setting out how to make a report to TPR, what should be included in the report and the timescales within which the report should be made?	Yes	
3	Do you have a system in place for recording breaches, even if they are not reported to TPR (e.g. in a Breaches Log) including ongoing assessment of those breaches?	Yes	

Reporting to TPR



Whistleblowing – reporting breaches of the law

Reporting payment failures

Notes:
- Applies

Question ID	Question	Answer	Current Score
1	Do you have a process in place to ensure all those who have a duty to report breaches report all contribution payment failures deemed to be of material significance to TPR, and within the timeframes specified in the Code?	Yes	
2	Do you have a system in place for recording all contribution payment failures, even if they are not reported to TPR (e.g. in a Breaches Log)?	Yes	

The information set out in this report is based on the expectations set out in the Code, compared to your current practice and it is not a regulatory and compliance audit. The information is based on the responses by the Administering Authority to questions set by Aon based on information contained in the Code.

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Agenda Item 11

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Agenda Item 12

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