

ANNUAL REPORT TO PENSIONS COMMITTEE

Committee	Local Pension Board
Officer Reporting	Sian Kunert
Papers with report	None

REASON FOR ITEM

The report is compiled to provide feedback to Pensions Committee on the work undertaken by the Local Pension Board since the last report presented in Pensions Committee in September 2017 and to meet the legislative requirement for producing an annual report.

RECOMMENDATIONS

It is recommended that Pensions Committee note the contents of this report.

INFORMATION

1. The Public Service Pensions Act 2013 introduced the requirement to have a Local Pensions Board to assist in the good governance of the scheme.
2. The purpose of the Board is to assist the Administering Authority in its role as a Scheme Manager of the Scheme. Such assistance is to:
 - Secure compliance with the regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
 - To ensure the effective and efficient administration of the Scheme.
3. London Borough of Hillingdon Council ratified the establishment of the Board on 6th November 2014 to commence with effect from 1st April 2015. Council at its meeting 02 November 2017 agreed to change the structure of the Board and its membership to improve the overall effectiveness of the Board. The Board meets four times a year and consists of two Employer representatives, and two scheme member representatives.

Membership and Attendance at Meetings

4. The membership of the local Pension Board is:

Employer Representatives:

Hayley Seabrook (Hillingdon Council)
Zak Muneer (LHC)

Scheme Member Representatives:
Venetia Rogers
Roger Hackett

5. Attendance at meetings has been high with all members in attendance where positions have been filled.
6. AON Hewitt is appointed as Governance advisers to support the development and work of the local Pension Board and attend meetings as necessary.

Training

7. Relevant external training opportunities are made available to Board Members and have been well supported, in particular with regular attendance at quarterly local board specific training sessions held by CIPFA. Pension Board members also utilise internal training opportunities by attending Pension Committee where a training item starts each meeting.
8. Using CIPFA's Training Needs analysis, specific training needs have been identified, and will continue to be identified, and will be built into future training. The new members plan to complete their frameworks within the next quarter.

Work of the Local Pension Board

9. Meetings are held shortly after each Pensions Committee. Since the annual report in September 2017, there was one meeting held under the old board structure in October 2017 and three since the structural changes in November 18; April 18, September 18 and November 18.
10. Each meeting undertakes a review of the most recent Pensions Committee reports and decisions, raising any issues for clarification with officers. To date there have been no issues referred back to Pensions Committee. All committee papers are shared with Board Members who are encouraged to attend committee meetings to fully understand the reports.
11. Terms of Reference for the Board:
 - i. The Pensions Board will be chaired by a member chosen by the group
 - ii. The frequency of the Pensions Board will be determined by the Board.
 - iii. Reports to the Board will either reflect decisions taken by Pensions Committee or be reports for noting already seen by Pensions Committee.
 - iv. The role of the Board will be to assist London Borough of Hillingdon Administering Authority as Scheme Manager: to secure compliance

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

- v. To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and in such other matters as the LGPS regulations may specify.
- vi. To secure the effective and efficient governance and administration of the LGPS for the London Borough of Hillingdon Pension Fund.
- vii. To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest. (NB: Being a member of the LGPS is not seen as a conflict of interest.)

12. The key work of the Pension Board in the past year have related to understanding changes in regulation, reviewing performance of the administration of the fund and to improve Fund governance and in ensuring compliance with the Pension Regulator's code of practice by carrying out a refresh to monitor improvements. Pension Board have undertaken some significant pieces over the past year including:

- Reviewed publications to fund members
- Carried out a refresh against Pension regulator's compliance checklist and agreement of actions for improvement; and
- Monitoring the performance of the Pensions Administration by Surrey County Council.

13. In understanding governance of the Fund the Pension Board have challenged officers in specific areas of administration and governance arrangements including:

- Whether the fund has sufficient resources available,
- Implementation and publicity of self service module for pensioners, actives and deferred members
- Data quality and improvement
- GMP
- GDPR
- Cyber Security
- ABS production
- Member training
- Review of Pension Committee papers and decision making process