

# SAB Guidance on the creation and operation of Local Pension Boards in England and Wales

## SCHEDULE A

Administering Authorities should remember that the Local Pension Board does not replace the Administering Authority or make decisions or carry out other duties which are the responsibility of the Administering Authority.

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

	Does Board Carry this out? Yes/No	Summarise Evidence for this conclusion
a. Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.	YES	Pensions Board reviews all Pensions Committee reports from the previous Pensions Committee meeting. Board therefore regularly reviews decisions made under the Regulations by the Committee

<p>b. Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code of Practice</p>	<p>YES</p>	<p>The Pensions Board has reviewed compliance with the current tPR Code of Practice. As a result of these reviews 100% compliance with the existing Code of Practice has been identified and this has been the case for some time. In addition management, and administrative, are reviewed by examining a Fund Administration Report and a HPS Administration Report at each Pensions Board meeting along with other relevant reports such as the report on Breaches. This included reviewing the strategic aspects of Governance process and procedures.</p>
<p>c. Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.</p>	<p>Further consideration needed</p>	<p>References are made to the performance of employers with regard to specific functions in the HPS Administration Report. A specific review of the compliance of scheme employers with their duties under the Regulations and relevant legislation has not been carried out.</p>

		There is a greater focus on the larger employers.
d. Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.	YES	Responsibility for the development and review of the Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles rests with the Pensions Committee. The Committee regularly carries out this role and is currently in the middle of a review. Pensions Board members can attend and comment on these reviews at Pensions Committee meetings . In addition at every Pensions Board Meeting all reports to the previous Pensions Committee including these reviews can be reviewed by the Board if members consider it appropriate. Board members are regularly invited to attend Pension Committee meetings where these issues are discussed.
e. Assist with the development of and continually review scheme member and employer communications as required by the Regulations and	YES. the Fund has undertaken to bring	In the past Board has reviewed communications and the Communication Strategy. The

relevant legislation.	an report to a future Board meeting on the current position	Strategy is not yet due for review. Board need to ascertain when will the next review of the Communications Strategy will take place and whether any action is needed before that review. The Fund has agreed that there should be a review of how communications are operating for employers and members after the administration had been taken over by HPS.
f. Monitor complaints and performance on the administration and governance of the scheme.	YES	This is done via the Fund Administration and HPS Administration Report to Pensions Board .
g. Assist with the application of the Internal Dispute Resolution Process.	YES with the additional monitoring information to be provided to the Board	Pensions Board is to monitor IDR cases that may have significant implications for the Fund. Additional monitoring information is to be provided by the Fund.
h. Review the complete and proper exercise of Pensions Ombudsman cases.	YES	There has not been a Hillingdon Pensions Ombudsman case so far but if there were to be then it was

		confirmed that Pensions Board would be involved with responding to it.
i. Review the implementation of revised policies and procedures following changes to the Scheme.	YES	This is done via the Administration reports from the Fund and HPS that the board receives at each meeting. Pensions Board meeting.
j. Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.	YES	At each Board meeting Board reviews the arrangements for the training of Board Members. It has in the past reviewed and commented on the arrangements for the training of Pensions Committee Members. Board has not reviewed the arrangements for the training of officers with delegated responsibilities for the management and administration of the Scheme as Board's view is that this is outside of the scope of its responsibilities.
k. Review the complete and proper exercise of employer and administering authority	YES	Pensions Committee has reviewed the policies that apply to the way in

discretions.		which discretionary powers are exercised and Pensions Board reviewed this report. Board's view is that its role does not extend to operational aspects of how the policies are operated in practice or specific cases.
l. Review the outcome of internal and external audit reports.	YES	Relevant Internal and External Audit reports for both the Fund, the Council and HPS are monitored by the Pensions Board
m. Review draft accounts and scheme annual report.	YES	Pensions Board regularly reviews the reports on these matters that go to the Pensions Committee
n. Review the compliance of particular cases, projects or process on request of the Committee.	NOT BOARD'S ROLE	The Committee has not asked Pensions Board to do this. Board's view is that it should be operating strategically and not looking at individual cases.
o. Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.	YES	Board feels empowered to do this if the need arose

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

	Does Board Carry this out? Yes/No	Summarise Evidence for this conclusion
a. Assist with the development of improved customer Service	YES	In reviewing th HPS and Fund Administration Reports Board assists with the development of improved customer service. Board reviews the monitoring statistics produced on the current levels of customer service.
b. Monitor performance of administration, governance and investments against key performance targets and indicators.	YES	Board reviews the Fund and HPS Administration reports, reviews all Pensions Committee Reports including Investment. These reports have key performance targets and indicators
c. Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.	YES	Appointment of Advisors rests with either the Pensions Committee or the Fund. All Pensions Committee Reports including these appointments are reviewed by Pensions Board. Appointments by the Fund are reported to Pensions

		Committee so can also be reviewed by Pensions Board.
d. Monitor investment costs including custodian and transaction costs	YES	Pensions Board reviews all Pensions Committee Reports including those on investment costs including custodian and transaction costs
e. Monitor internal and external audit reports.	YES	Relevant Internal and External Audit reports for the Fund, the services provided by the Council to the Fund and HPS are monitored by the Pensions Board
f. Review the risk register as it relates to the scheme manager function of the authority.	YES	The Risk Register for the Fund is regularly reviewed and updated by the Pensions Committee. Pensions Board reviews all Pensions Committee Reports and has reviewed the Risk Register and made comments to both the Fund and the Committee.
g. Assist with the development of improved management, administration and governance structures and policies.	YES	During discussion of reports to Pension Board and of the Pensions Committee Pensions Board has discussed way to improve



		management, administration and governance structures particularly in respect of the Good Governance Project. Pensions Board was directly involved with the change of the Administrator.
h. Review the outcome of actuarial reporting and valuations.	YES	Actuarial Reports and Valuations are reported to Pensions Committee. Pensions Board members are invited to attend Committee and can comment. Pension Board reviews all Pensions Committee reports and has made r comments upon these Reports to the Fund and the Committee.
i. Assist in the development and monitoring of process improvements on request of Committee	YES	The Committee has not asked specifically asked Pensions Board to do this as the normal monitoring and review procedures that are in place mean that this happens. .
j. Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.	YES	The Pensions Committee has decided that the Scheme should sign up to the UK Stewardship Code and is monitoring whether the Scheme is compliant with this

		obligation. Pension Board members attend the Pensions Committees and can comment on these reports. Pensions Board reviews all Pensions Committee Reports and can assist with compliance if this is needed.
k. Any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) the Board deems appropriate	YES	Board feels empowered to do this if the need arose.

In support of its core functions the Local Pension Board may make a request for information to Committee with regard to any aspect of the Administering Authority function. Any such request should be reasonably complied with in both scope and timing.

In support of its core functions the Local Pension Board may make recommendations to Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

**\*Schedule A has been added as an example only - it should not be considered an exhaustive list and full consideration should be given locally to the remit of the Local Pension Board.**