

# **Pension Board Annual Report 2024**

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## 1 Chair's Foreword

Welcome to the Annual Report of the Local Pension Board (LPB) of Hillingdon Pension Fund (HPF). This report covers the period from January to December 2024. At the Board meeting in January 2024, I was privileged to be elected to serve a third term as Chair of the Board during the calendar year 2024.

The Board met face-to-face for all four meetings during 2024. The Fund's administration partner, Hampshire Pension Services (HPS), also began to attend virtually in April 2023, and now present to the Board at each meeting. This is a welcome development which not only shows the commitment of HPS to work collaboratively with the Fund, but also an extra layer of governance as the Board can now directly scrutinise and monitor the partnership administration arrangement and satisfy themselves that all day-to-day and ongoing administration requirements are being delivered.

Some of the key achievements the Board oversaw in addition to the regular review of the Pensions Committee reports were:

- Assisting with the development of the Governance Plan in line with updated Pensions Regulator General Code and SAB Good Governance framework
- Ongoing monitoring of cyber security issues
- Assessment of the effectiveness of the Pension Board which acted as a catalyst for the same exercise to be undertaken by the Pensions Committee
- Monitoring breaches and ensuring corrective actions were implemented
- Undertaking targeted training
- Keeping abreast of Pension Dashboard progress
- Monitoring progress against McCloud, GMP and data cleansing projects
- Closely monitoring service provision of Hampshire Pension Services.
- Supporting the development of the Administration Strategy
- Supporting with the Pensions Committee and Officers

The year ahead continues to be met with governance and compliance challenges and the resulting uncertainties in terms of changes in rules that the government may implement.

There are upcoming regulatory changes with which the Fund has to comply and that the Board will oversee, many of which continue to roll forward from the previous year; these include:

- The Pensions Regulator's General Code of Practice (GCoP)
- Good Governance Framework
- The Pensions Dashboard Programme
- The Data Improvement Programme
- Continued implementation of McCloud & GMP

In closing I would like to thank the Pensions Committee, Officers, Advisers and fellow Board Members for their cooperation and support during my time as Chair and I look forward to helping the Fund address the challenges we expect to face in 2025.

Roger Hackett - Chair of Hillingdon Local Pension Board (2024)

## 2 Introduction to the Local Pension Board

The Public Service Pensions Act 2013 introduced the requirement to have a Local Pensions Board to assist in the good governance of the Local Government Pension Scheme “Scheme”.

The purpose of the Board is to assist the Administering Authority in its role as a Pension Fund 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.

London Borough of Hillingdon Council established the Scheme with effect from 1<sup>st</sup> April 2015 with subsequent amendments to Board structure and Board flexibilities being approved in the intervening years.

The Board meets four times a year and for 2024 consisted of three Employer representatives, and three scheme member representatives.

### Membership of the Board

<b>Employer Representatives</b>	<b>Scheme/Fund Member Representatives</b>
Anna Beattie	Roger Hackett
Shane Woodhatch	Tony Noakes
Jack Francis-Kent – From July 2024	Vicky Trott – From Nov 2024
Marie Stokes – Until May 2024	

### Record of Attendance

<b>Name</b>	<b>Jan -24</b>	<b>May-24</b>	<b>Jul-24</b>	<b>Nov-24</b>
<b>Roger Hackett</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>
<b>Tony Noakes</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>
<b>Marie Stokes</b>	<b>Y</b>	<b>N</b>	<b>N/A</b>	<b>N/A</b>
<b>Shane Woodhatch</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>N</b>
<b>Jack Francis-Kent</b>	<b>N/A</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>
<b>Anna Beattie</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>
<b>Vicky Trott</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>Y</b>

The Scheme Advisory Board’s LGPS Guidance on the Creation and Operation of Local Pension Boards in England and Wales recommends that the Board produces a report to the Pensions Committee, on the work undertaken during the year and future work plans. This report covers the work of the 2024 period.

Governance adviser Marian George assisted the Fund on Governance issues and supported the development and work of the Board and attended meetings.

### **3 Summary of the Work of the Board**

#### **Administration Partnership.**

2024 saw the Third full year with Hampshire Pension Services; our partner in delivering administration services for the Hillingdon Fund.

The Board were heavily involved in monitoring of their performance and governance. The Board continue to provide robust challenge to ensure all aspects relating to ongoing issues such as backlog of leavers and joiners processing, McCloud and Pension Dashboard projects are sufficiently resourced and remain on track.

The Board's direct involvement in terms of monitoring was enhanced during the year as HPS now attend Board meetings which allows direct engagement and the ability to scrutinise all areas of the administration service and compliance with all governance items.

The Board are pleased to report that HPS continues to deliver a high level of service, remained at 100% against all key performance indicators and has been pro-active and at the forefront in all governance requirements. Attendance at Board meetings has strengthened the partnership and demonstrates a high level of good practice.

#### **TPR code compliance review**

During 2024, the Board has collaborated closely with officers and the Fund to ensure full compliance with the new General Code of Practise by the September 2025 deadline.

Furthermore, the Board has been fully supportive in terms of steps taken by the Fund to ascertain where there may be gaps based on the new General Code of Practise (GCoP) and Good Governance Framework. This has enabled the Fund to highlight key areas of focus and devise an implementation timeline ahead of the compliance deadline date.

#### **Effectiveness of the Board**

During the year the Board progressed on its effectiveness to improve succession planning and Board resilience; in this regard, two extra members were elected on to the board, one each for scheme member and employer representatives.

#### **Cyber Security & Pension Scams**

The Board has continued to focus on cyber security to ensure all possible measure are in place to protect the IT infrastructure from malicious behaviour.

## **Other key areas of work have been undertaken as outline below**

- Monitoring of the data quality and breaches
- Review of Policy documents to ensure they are kept up to date
- Monitoring the performance of the Pension Administration and observing Fund investment performance

## **Future Work of the Board**

As partly noted in the Chair's foreword, several key areas will to be monitored in 2025 including:

- The Pensions Regulator's General Code of Practice
- Good Governance Framework
- The Pensions Dashboard Programme
- The Data Improvement Programme
- Implementation of McCloud and GMP
- ESG issues including the UK Stewardship Code and TCFD reporting
- Review and update of the Board's function and responsibilities.
- Board resilience and succession planning
- Review of the risk register
- Knowledge Assessment

## **4 Areas Investigated by the Board**

No official investigations were required or undertaken by the Board.

## **5 Details of any Conflicts of Interest**

The SAB guidance recommends that the Board reports details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed.

Declaration of interest remains on the agenda at the start of each meeting and in addition to the register of interest Pension Board members have been requested to renew their declaration of interest form in line with best practice.

A Conflicts of Interest Policy was also introduced following the TPR GCoP review which provides guidance to the Board on how to identify and manage conflicts of interest. No major conflicts of interests have arisen other than the declarations made at the start of each meeting. (To be reviewed after the result of the "Fit for the future consultation").

Board members and officers continue to monitor conflicts of interest.

## **6 Areas of Concern or Risk**

**6.1 Regulatory changes** – The Board recognises that there are currently many regulatory changes to be implemented in the LGPS. These include the McCloud Judgement; Goodwin Judgement; GMP reconciliation and the Pensions Dashboard and potentially a new iteration of the Exit Cap.

In addition, the framework under which the Fund will need to operate is also expected to change with the new General Code of Practice and Good Governance implementation in September 2025.

The Board will continue to monitor and seek assurance from Officers that the changes can be effectively delivered in compliance with the regulatory deadlines.

## 7 Training

7.1 Regular training has been made available to the Board and is a standing item on the quarterly work programme. As a result of the move to virtual meetings, training has been delivered separately from the meetings. The schedule below outlines the training undertaken by the Board.

Training events will be carried out in conjunction with Pension Committee where viable.

	Date	Pensions Board Members							Advisers & Actuary	
		Roger Hackett	Tony Noakes	Shane Woodhatch	Marie Stokes	Anna Beattie	Jack Francis-Kent	Vicky Trott	Marian George	Craig Alexander
The Pensions Regulator Public Sector Toolkit	On-demand	*	*	*	*	*	tbc	tbc		
AON CIPFA Knowledge & Skills Areas of Training (7 Modules)	On-demand	*	*	*	Y	Y	3 Modules	tbc		
<b>LB Hillingdon Organised Training</b>										
2023 Knowledge Progress Assessment (Training Needs Analysis)	18/01/2024	1	1	1	1	0	0	0		
London CIV Business Update - August 2024	22/08/2024	1.25								
Tri-Borough LGPS Training Morning	30/09/2024	3.75								
Meet the Manager - Wellington Investment Services (LCIV)	01/10/2024	1								
Isio Mansion House webinar	15/11/2024		0.5			0.5				
LCIV Global Property Training - 27 November 2024	27/11/2024		2							
<b>Other Training Hours</b>		19.75	1.5	0	0	14	6	2		
<b>Total Training Hours January-December 2024</b>		<b>26.75</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>14.5</b>	<b>6</b>	<b>2</b>	<b>60.1</b>	<b>15</b>
<b>*Required Minimum PB Annual Training Hours (14 Hours)</b>		14	14	14	14	14	14			
	<b>Keys</b>									
		Meet Requirement								
		Partially Meet Requirement								
		Did Not Meet Requirement								

\*Following the training needs assessment suitable knowledge was either demonstrated in these areas or completed in previous years.

7.2 The Board will continue training as required during 2025 to address any emerging issues and to ensure it is up to date with any regulatory or guidance requirements or outcome from the governance review.

7.3 In line with the Training policy Board members are required to undertake 14 hours of training annually.

## 8 Work Plan

The workplan below sets out the tasks undertaken by the Pension Board during 2024

<b>Meetings</b>	<b>Specific topics</b>
24 January 2024	<ul style="list-style-type: none"><li>• Board appointment matters</li><li>• Review and update of Pension Board Operating Procedures</li><li>• Pension Administration &amp; Performance</li><li>• Training Update Report</li><li>• Draft LPB Annual Report</li><li>• Governance including Code of Practice</li><li>• Cyber Update</li><li>• Workplan</li><li>• Review of Pension Committee Reports</li></ul>
8 May 2024	<ul style="list-style-type: none"><li>• Pension Administration &amp; Performance</li><li>• Training Update Report</li><li>• Governance</li><li>• Workplan</li><li>• Review of Pension Committee Reports</li></ul>
17 July 2024	<ul style="list-style-type: none"><li>• Pension Administration &amp; Performance</li><li>• Training Update Report</li><li>• General Code &amp; Good Governance Update</li><li>• Governance including Code of Practice</li><li>• Workplan</li><li>• Review of Pension Committee Reports</li></ul>
6 November 2024	<ul style="list-style-type: none"><li>• Pension Administration &amp; Performance</li><li>• Training Update Report</li><li>• Governance</li><li>• Workplan</li><li>• Review of Pension Committee Reports</li></ul>

The 2025 future workplan of the Board is set out below.

Meetings	Specific topics
05 February 2025	<ul style="list-style-type: none"> <li>• Election of Board Chair</li> <li>• Pension Administration &amp; Performance</li> <li>• Training Update Report</li> <li>• Draft LPB Annual Report</li> <li>• Governance Including General Code of Practice</li> <li>• Cyber Update</li> <li>• Workplan</li> <li>• Review of Pension Committee Reports</li> </ul>
09 April 2025	<ul style="list-style-type: none"> <li>• Pension Administration &amp; Performance</li> <li>• Review of Effectiveness of the Board</li> <li>• Training Update Report</li> <li>• Governance Including General Code of Practice</li> <li>• Workplan</li> <li>• Review of Pension Committee Reports</li> </ul>
09 July 2025	<ul style="list-style-type: none"> <li>• Pension Administration &amp; Performance</li> <li>• Training Update Report</li> <li>• Governance Including General Code of Practice</li> <li>• Workplan</li> <li>• Review of Pension Committee Reports</li> </ul>
5 November 2025	<ul style="list-style-type: none"> <li>• Pension Administration &amp; Performance</li> <li>• Election of Employer/Scheme Rep</li> <li>• Training Update Report</li> <li>• Governance Including General Code of Practice</li> <li>• Workplan</li> <li>• Review of Pension Committee Reports</li> </ul>

## 9 Expenses

The Board incurred expenses of £135 in relation to its operations in 2024. (This does not include the standard governance support fees)