Pensions Board

Date: WEDNESDAY 19 July 2023

Time: 2.00 PM

Venue: Committee Room 3a

This agenda is available online at

[London Borough of Hillingdon - Pension Board agenda and minutes](#)

Employer Representatives

Shane Woodhatch (January 2024)
Marie Stokes (November 2026)

Scheme Member Representatives

Roger Hackett (December 2025) (Chair December 2023)
Tony Noakes (January 2027)

Terms of Reference of the Pensions Board is as follows:

1. The Pensions Board will meet at a frequency determined by the Board.

2. Reports to the Board will either reflect decisions taken by Pensions Committee or be reports for noting already seen by Pensions Committee.

3. 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;

4. 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.

5. To secure the effective and efficient governance and administration of the LGPS for the London Borough of Hillingdon Pension Fund.

6. 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.

7. The Board may agree a more detailed code of practice within the parameters of these Terms of Reference, as to how it operates to comply with other relevant guidelines.

Agenda

OPENING ITEMS

1. Apologies for absence

2. Declarations of Interest and any Conflicts of Interest

3. To approve the minutes of meeting held 26 April 2023

4. To confirm the items of business marked Part I will be considered in public and that items marked Part II will be considered in private.

PART I

5. Administration Report & TPR Code of Practice 14 Compliance

6. General Code and Good Governance Update

7. Training Update and Log

8. Work Programme 2023

PART II

9. Governance (Breaches Log & IDRP)

10. Review of Pension Committee Papers

Members of the board are reminded to bring their copy of the Pensions Committee report pack from 8 June 2023 to the meeting.

Minutes

PENSIONS BOARD

26 April 2023

Meeting held in Committee Room 3, Civic Centre, Uxbridge

	Employer Representatives: Marie Stokes (MS) **Scheme Member Representatives**: Roger Hackett – Chair (RH) Tony Noakes (TN) **Also Present:** Cllr Martin Goddard (MG) Cllr Stuart Mathers – Chair, Pensions Committee (SM) Clare Scott, Governance Advisor (CS) Andy Lowe, Hampshire County Council (HCC) Pensions Administration (AL) **LBH Officers Present**: James Lake, Director – Pensions Treasury & Statutory Accounts (JL) Tunde Adekoya, Pension Fund Accountant (TA) Shyam Pitroda, Statutory Accounts & Pensions Officer Apprentice (SP) Ann-Marie Pereira, Executive Assistant – Minutes (AP) **Apologies for Absence:** Shane Woodhatch Cllr Kaushik Banerjee	
AGENDA ITEM	**MINUTES/ACTION**	**ACTION/ LEAD**
Agenda item 1	**Apologies for Absence** RH welcomed all to the meeting; apologies noted from Shane Woodhatch.	Noted
Agenda item 2	**Declarations of Interest and any Conflict of Interest** None.	
Agenda item 3	**To approve the Minutes of the Meeting held on 18 January 2023** Minutes approved, no matters arising that are not covered under today's agenda.	
Agenda item 4	**TO CONFIRM THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT ITEMS MARKED PART 2 WILL BE CONSIDERED IN PRIVATE**	Agreed

	Confirmed that agenda items in Part 2 will be considered in private. Carried out a round of introductions, for the benefit of CS and AL.	
	PART 1	
Agenda item 5	**Administration Report and TPR Code Of Practice 14 Compliance** **Administration report** Report covers HCC's performance; highlights: - 100% delivered against key performance indicators. - Improved data quality throughout the year - Annual Benefits Statements sent out in time - Significant increase in member portal sign-up, now up to 33.1% - Good progress on McLeod – collecting data from employers. - Continued low number of complaints - Efficient call response time - Achieved Customer service excellence award - Good progress on Pensions dashboard, have dedicated resource working on this. - A number of Internal Audits undertaken, all received 'substantial' ratings. - Compliments received from Hymans Robertson on the support provided by HCC. - Delivered high level of employer engagement, an extra session was required to accommodate. - Improved cyber security measures. AL advised that this is more than just performance, it is a partnership, with good working with JL, the team and the Corporate Director of Finance, Andy Evans (AE). RH appreciated the excellent service from HCC and is reassured to see that HCC is always on the front foot, however, the Pensions Board must maintain scrutiny. MG queried the outcome of the Internal Audit (IA) on cyber security; AL advised that, whilst he does not have the IA report, he expects to achieve a 'reasonable' assurance level. All fundamentals are sound and in place and this is a good starting point. Noted that the Compliance Statement is updated annually. MG asked for Internal Aaudit reports to be released to the Board; agreed, JL to circulate. TN stated that it is very unusual to see 100% on all fronts and asked how performance can be improved. AL advised that HCC set realistic targets, in discussion with JL. Targets can be increased with alternative providers, with an increase in costs but this would not necessarily result in any realistic difference in performance, and it was considered that the increased costs could	 **JL**

not be justified. A helpful addition to the report is the real number of days to completion (average date completed). Most are 15 days, and the commitment is to try and maintain this. HCC is committed to maintaining performance.

TN asked whether the team working on LB Hillingdon are ringfenced? AL advised that there are 5 teams, that receive work from all accounts.

In terms of calls, a system is in place to firstly identify which fund the caller is linked to in order that the recipient of the call can correctly deal with the enquiry.

When asked whether HCC are tempted to seek new business, on the basis of the good performance, AL advised that HCC do not actively seek new accounts and that all existing accounts have been secured through word of mouth; any new approach would be considered seriously, though, in terms of resources, etc.

SM asked about the HCUC merger with Richmond Upon Thames College. RUTC is a scheduled body within LB Wandsworth fund, therefore the transfer of staff is from LB Wandsworth. AL assured that HCC has a good onboarding track record, and that this is a relatively small transfer. Close contact is being maintained with all parties involved. Currently HCC is scheduled to assess the first data cuts which are to be provided by Wandsworth.

CS pointed out the one flaw in relation to the unprocessed leavers and queried how the overall process measured for members, including any delays in transfer? AL advised that HCC provide LBH/JL with a monthly report and a WIP report to ensure work is being managed and to ensure no undue delays (a two-week look ahead). JL added that he has requested rolling 12 monthly figures to identify trends more easily.

CS asked about evaluation dates and the upload of CPI – will this impact on the production of annual benefits statements. AL confirmed that this work is already underway. CS pointed out that other administrators are not yet in a position to upload this information. AL said this was not the case at HCC.

With regard to relationships with employers, and the outstanding leavers, the report refers to 'issues arising with some employers'. It is hoped that this will not be a major constraint in terms of achieving 100% data accuracy. Historic data is tied up in the Data Plan but this is a 3-way relationship. AL had an initial chat with AE on additional resource; HCC will release resources who are experienced from the Westminster work, to supplement Hillingdon resources; JL added that Data Plan are committed to working on this data cleanse and to manage resources.

Also, on relationships with employers an McCloud, RH would be interested to see the latest progress report – taking into account

| | the gaps and recent SAB guidance; if the October deadline remains, we should be reasonably comfortable that HCC will be able deliver by this deadline. AL confirmed good progress being made on McCloud, and believes it is low risk; will feedback by end-August, with any contingency required. It is expected that the October deadline will remain. On the question whether LBH should be doing anything more, AL felt that the current level of engagement is sufficient.

MG asked about engagement with smaller employers, given that attendance at the Hymans Robertson meetings was lamentable; he asked what more could be done with regard to making engagement obligatory.

AL advised that it should be borne in mind that small employers have limited resources who often have a multitude of tasks to complete. JL advised that we are doing as much as possible. Noted that engagement with Schools/Academies has improved. In terms of the admission agreements, JL advised that attendance is not included in the AA. CS suggested that this could be part of the Administration policy. Threats of reporting to the regulator may get improved engagement, to get employers to understand their obligations. CS will review the administration policy and consider a particular clause around this.

Software Development: RH asked whether HCC were looking to have an app for members. AL advised that this is not a priority, bearing in mind the cost, scale and interest but will continue to push sign-up to the portal as the main tool. An increased level of engagement via the portal, will not reduce costs as back-office processing will not be reduced. It should be noted that this year, HCC could have increased costs with Westminster and Hillingdon, by 10.1% (as baked into the contract, is the option to raise prices in line with inflation), but only increased by 2%. This reinforces the partnership.

On behalf of the Board, RH thanked AL for his attendance and looks forward to seeing AL at all Pension Board meetings. AL confirmed he is happy to attend. | **CS** |
| **Agenda item 6** | **Communications Strategy Review**

One of the actions arising from the evaluation of the Board, was to carry out a review of the Communications strategy, to look at any issues/areas for improvement.

Factors to consider include increased regulation in terms of risks and a broader angle in relation to engagement and what we want from the Fund? CS will review the website, as a member and as an external stakeholder.

Noted that all HCC communications are referred to LBH to agree. | **CS** |

	Discussed the portal and level of information; TN advised that Hertfordshire's portal is more informative. RH pointed out that, as a pensioner, he could not find the active or deferred newsletter; JL to look into this but did not believe these were produced. JL will feedback to RH. JL will also provide RH with joiner packs.	**JL**
	Agreed to add the Annual report to the Pension Board web page. On the question whether communications with LCIV are adequate, it was pointed out that we are co-shareholders of LCIV as well as investing with them as a fund manager. SM suggested consideration be given to specific reference LCIV in the Communications Strategy, as a shareholder, however, MG pointed out that communications with shareholders perhaps did not require specific definition.	**JL**
	SM raised engagement with small employers and whether this is included in the strategy. Use the strategy to note the additional support to small employers. JL pointed out that SC is very proactive in engaging with these employers on essential matters.	
	After we complete the 2023 Annual Return requirement, HCC will provide benchmarking analysis of employer performance in terms of meeting the deadlines set out in the Closing programme. This will be used as a tool to engage with those employers who do not meet set standards, in order to improve 2024 performance.	
Agenda item 7	**Review the Effectiveness of the Board** At the last meeting, agreed to carry out this review. A useful meeting was held, and the SAB guidance was considered. On the whole, we are doing a good job but there are some areas for further consideration. On reviewing compliance, this will be reviewed in relation to the annual return benchmarking exercise. Consideration was also given to updating the Administration strategy to bolster remedial action. IDPR: agreed that this will be regularly reported under the new governance agenda item. It was noted that once the new Code of Practice is issued, the Board will carry out a training needs self-analysis exercise to ensure that Pensions Board has the skills and knowledge to fulfil its role. MG mentioned that whilst he finds the level of scrutiny from the officers and the Board encouraging, one concern is that we do not always get full attendance at these meetings (employees and employers) and asked that this be reviewed. JL will follow up. CS mentioned the oversight of training, once the new code of practice has been introduced; will pick up with JL separately.	**JL** **CS/JL**

	Where Board makes suggestions to committee, is there any appropriate audit trail? JL will ensure Democratic Services accurately record these suggestions in the Minutes, which will provide the audit trail. Regulator: guidance on equality, diversity and inclusion. This is being considered and will continue to be taken into account when appointing to the Board membership. Confirmed that Pension Board receive IA reports from HCC; it was also noted that Hillingdon Internal Audit had not carried out any specific audit since outsourcing began 12 years ago, apart from the Cyber Security mapping CS raised a question about the visibility of external audit reports for the Pensions Committee. JL explained the delays in external audits. MH outlined resource pressure for internal audit. CS suggested that, given the significant finances of the pension fund, some risks and controls should be considered for regular review by internal audit, despite most services being outsourced. It was noted that Committee had not recently received external audit reports about the Pension Fund. JL advised that around 90% of LA audits have not had their 21/22 accounts completed. Once Hillingdon's audit is complete, EY will be asked to report to Committee. On succession planning and board membership/attendance, it was noted that it takes a long time before a member becomes effective. Consideration is being given to strengthening the Board membership numbers. RH mentioned that he would be interested to hear CS' views on diversity, board membership and succession planning.	**JL** **CS**
Agenda Item 8	**Training Update and Log** Regular update noted. MS will provide an update at the next meeting on progress through the AON toolkit. The new code of practice will trigger a raft of training requirements for the Board. Noted the PLSA agenda of conferences, which have been circulated to the Board and Committee.	**MS**
Agenda item 9	**Work Programme 2023** Noted. All to consider any future items.	

Pensions Administration Report	Item 05

Committee	Local Pensions Board

Contact Officers	James Lake – Finance

Papers with this report	1. Hampshire Administration Reports June 2023 - sent separately

REASON FOR ITEM

The provision of administration services for the Hillingdon Pension Fund is delivered in partnership with Hampshire County Council (HCC) 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 Pension Board on pensions administration activities and the performance of the administration providers against the agreed indicators.

This report also provides an update on regulatory and governance matters relating to the pension fund and compliance with the Pensions Regulatory Code of Practice 14.

RECOMMENDATIONS

1. That the Pensions Board note this update

INFORMATION

The attached report from Hampshire shows the activities for June 2023.

Key highlights are:

- 100% delivery against performance targets.
- 35.6% portal sign-up.
- Cyber security UPM upgrade being installed in test environment 10 July 2023, followed by 4 weeks of testing and implementation into live 8 August 2023.
- McCloud returns received 80.49%. Laggards continue to be chased. Plan to be in place where data not received.
- Pension Dashboard programme scheduled to be in place September 2024, despite ministerial delays and uncertainty.
- Deferred Pension Statements issued 98.32%.
- SMS one-time codes successfully implemented 19 June 2023.

TPR General Code & Good Governance Project
Latest information suggests that the General Code may be considered by parliament in autumn 2023 and the Good Governance project is not currently a priority.

In the meantime, the Fund however intends to undertake an initial assessment of its positioning based on what is expected. Please see item 6 on the agenda.

Current TPR Code of Practice 14
The Fund remains 100% compliant with the Pensions Regulator Code of Practice 14

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.

General Code & Good Governance	**Item 6**

Committee	Local Pensions Board

Contact Officers	James Lake – Finance

Papers with this report	1. Governance Review

REASON FOR ITEM

The LGPS Scheme Advisory Board concluded its Good Governance review in 2021. The review looked at governance improvements within the current structure (i.e. with local councils administering the LGPS). Furthermore, in the spring of 2021, The Pensions Regulator consulted on the draft content for the first phase of a new code of practice which will replace 10 existing codes including the current Code of Practice 14. The new code (expected to be called the 'General Code') will apply to both public and private pension schemes despite various responses to the consultation requesting separate code(s) for the LGPS/public schemes.

Final guidance and legislation are yet to be issued and, in both cases, there is some uncertainty on how certain aspects will be applied. However, it is possible to work towards an expected outcome on a best endeavours basis.

RECOMMENDATIONS

1. That the Pensions Board note this update and propose suggestions to complement the draft report.

INFORMATION

The attached report prepared by the Independent Governance Advisor, sets out the status of the proposed Code and Governance framework and suggests areas of work the Fund should consider implementing ahead of any formal instructions from the Scheme Advisory Board and the Pensions Regulator.

It indicates the items that should be addressed in the intervening period with a priority level.

FINANCIAL IMPLICATIONS
Financial implications are referred to attachment in terms of setting out a business plan and budget.

LEGAL IMPLICATIONS
Legal implications have been included in the body of the report and attachment.

London Borough of Hillingdon Pension Fund

Local Pension Board meeting – 19 July 2023

Introduction

Over recent years, the Local Government Pension Scheme and London Borough of Hillingdon Pension Fund ('the Fund') have faced increasing standards and scrutiny on governance partly as a result of The Pensions Regulator beginning to oversee the LGPS and the introduction of local pension boards in 2015. These increasing standards and scrutiny are expected to continue with changes to The Pensions Regulator's new general (single) code of practice and the Scheme Advisory Board's Good Governance recommendations expected to be incorporated into legislation and/or guidance.

The Fund's overall objective is to be compliant with legislation, guidance and codes of practice. There remains some uncertainty of new requirements but despite this, the Fund wants to progress governance matters (where possible and practical), because it is in the interests of members and employers. Making progress now should ensure the Fund is able to demonstrate compliance earlier than would otherwise be the case.

Draft priorities for governance reviews over the coming months are outlined in this paper. They are based on the new (expected) requirements taking into account the current issues facing the Fund.

This paper is for the Local Pension Board ('the Board'). Feedback from the Board is requested prior to the priorities being discussed and agreed by the Pensions Committee in September 2023.

Scheme Advisory Board's Good Governance Review

The LGPS Scheme Advisory Board concluded its Good Governance review in 2021. The review looked at governance improvements within the current structure (i.e. with local councils administering the LGPS). The recommendations are summarised in the table below.

Clare Scott, Independent Adviser

Good Governance Recommendations	Proposed priorities for the Fund
A General	
A.1 MHCLG will produce statutory guidance to establish new governance requirements for funds to effectively implement the proposals below. ("the Guidance").	Officers should ensure the Fund's annual report incorporates areas described by the review (e.g. meeting attendance, training, more). **Priority – MEDIUM**
A.3 Each administering authority must publish an annual governance compliance statement (GCS) that sets out how they comply with the governance requirements for LGPS funds, as per statutory Guidance. This statement must be co-signed by the LGPS senior officer and S151.	Otherwise, wait until more information is available.
A.2 Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund ("the LGPS senior officer").	Committee should consider resourcing, officer responsibilities and delegations for the Fund (including the role of LGPS senior officer). **Priority - HIGH**
B Conflicts of Interest	
B.1 Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.	The Fund already has a Conflicts of Interest policy. Await legislation and/or guidance before reviewing policy.
B.2 The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB.	In the meantime, put in place training for Committee and Board on potential conflicts of interest incorporating the specific conflicts mentioned in the review. **Priority – MEDIUM**
C Representation	
C.1 Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party.	Discuss representation of scheme members and non-administering authority employers, and voting rights, in the Fund's governance. (This could be combined with a review of The Pensions Regulator's code of practice on Equality, Diversity and Inclusion review – see below). **Priority MEDIUM** Await legislation and/or guidance before drafting policy.
D Skills and Training	
D.1 Introduce a requirement via the Guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively.	The Fund has a Training Policy. Review delivery of training policy – review and develop (where necessary) induction material, training plans, assessments, record keeping, reporting. **Priority – HIGH**
D.2 Introduce a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels of knowledge and understanding.	

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Good Governance Recommendations	Proposed priorities for the Fund
D.3 Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.	Review how key officers are covered by training policy **Priority – HIGH** Review Training Policy in light of Good Governance recommendations more broadly. (See also link to TPR Code of Practice later). **Priority – MEDIUM**
D.4 CIPFA should be asked to produce appropriate guidance and training modules for s151 officers.	Await progress.
E – Service Delivery for LGPS	
E.1 Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution, and be consistent with role descriptions and business processes.	Review documentation of roles/responsibilities relating to the Fund (also considering LGPS Senior Officer recommendation above). **Priority – HIGH**
E.2 Each administering authority must publish an administration strategy.	The Fund has an Administration Strategy. Await legislation and/or guidance before reviewing policy.
E.3 Each administering authority must report the fund's performance against an agreed set of indicators designed to measure standards of service.	Await clarity on common set of indicators. Ensure third party administrator is engaged in this work to ensure they are capable of delivering. **Priority – MEDIUM**
E.4 Each administering authority must ensure their committee is included in the business planning process. Both the committee and LGPS senior officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.	Pensions Committee approves the Fund's budget. The Fund should develop a business plan, to be approved by Committee, to ensure objectives and priorities are agreed, and the resource and budget is adequate. **Priority – HIGH**
F Compliance and Improvement	
F.1 Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.	Monitor status. (Preparatory work on governance should ensure the Fund's governance continues to improve).
F.2 LGA to consider establishing a peer review process for LGPS Funds.	

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The Pensions Regulator

The General Code

Since 2015, The Pensions Regulator has had responsibility for regulating governance and administration of the LGPS. It issues Codes of Practice to outline its expectations of how pensions schemes should be managed. Codes of Practice are not statement of law but if the regulator takes enforcement action against a fund/scheme, it will point to aspects of the codes to highlight shortcomings.

Code of Practice 14 (Governance and administration of public service pension scheme) is currently the main code which applies to the LGPS.

In the spring of 2021, The Pensions Regulator consulted on the draft content for the first phase of a new code of practice which will replace 10 existing codes including the current Code of Practice 14. The new code (expected to be called the 'General Code') will apply to both public and private pension schemes despite various responses to the consultation requesting separate code(s) for the LGPS/public schemes.

As the draft Code uses the term 'governing body' to apply to different types of pension scheme in both the private and public sector, it is currently unclear what this means for LGPS funds. The draft code defined this body as 'scheme manager and pension board' which could lead to confusion and/or duplication because the role of the pension board is to 'assist'. It is hoped the final version will provide clarity on this matter.

The 51 modules of the draft code are listed in the appendix to this document. The Pensions Regulator recognised that some modules would not be applicable to the LGPS but others would be classed as 'best practice'. However, in its response to the consultation the LGPS Scheme Advisory Board also challenged the applicability of other modules. As local government legislation applies to the scheme manager (i.e. the Council) it could be that some modules of the Code are applicable only to the Pension Board and not the Pensions Committee. Again, it is hoped the final version will provide clarity on this matter.

The timing of introduction of the General Code is also uncertain. It is understood the code is ready to be implemented but needs to be laid in parliament for 40 days. As summer recess approaching, it is unlikely to be in place before the autumn at the earliest.

The appendix shows the modules of the draft code and recommends priorities for governance reviews for the Fund focussing on those where:
- There is little uncertainty on whether the module(s) are applicable,
- Modules which are new, or specific, for the LGPS.

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Equality, Diversity and Inclusion (EDI)

The Pensions Regulator has published guidance for pension scheme governing bodies and employers with the aim of improving equality, diversity and inclusion and hence improving governance. The guidance covers both private and public schemes, including both the Pensions Committee and Local Pension Board.

The Fund should review the guidance and consider potential areas for improvement. It will be important to recognise the small size of the Fund. **Priority – MEDIUM**

Recommended Priorities for Governance Reviews

The proposed areas for governance reviews over the coming months are outlined below. These priorities should be reviewed when there is news of changes to legislation/guidance and when The Pensions Regulator's General Code of Practice becomes available.

High priority
- Develop a Business Plan for the Fund for the Committee to agree objectives consistent with resource and budget.
- Review delivery of the Fund's training policy – review and develop (where necessary) induction material, training plans, assessments, record keeping and reporting. (This is particularly relevant given the recent changes to the Committee membership.) Incorporate into the training plan:
    o Potential conflicts of interest;
    o Reporting to The Pensions Regulator;
    o Governance of training for senior officers;
    o Any relevant findings from and internal audit reviews.
- Committee to consider resourcing and LGPS senior officer and ensure delegations are documented appropriately.
- Review the Fund's approach to investment monitoring recognising the significant investments managed by London CIV, changes in the roles of advisers and the new contract with the investment consultant.
- Cyber Security. This continues to be a key risk for the Fund, despite significant work having been done in this area. Review The Pensions Regulator's new requirements and seek additional assurances from the third-party providers and the Council as necessary.

Medium priority
- Include reporting as recommended by the Good Governance review in the Fund's annual report.
- Review Equality, Diversity and Inclusion including representation of scheme members and non-administering authority employers, and voting rights, in the Fund's governance.
- Review Training Policy considering Good Governance recommendations and the regulator's general code.
- Review Communications and Disclosures requirements from the General Code.
- Ensure third party administrator is engaged in consideration of the pensions administration requirements of the regulator's code and is capable of complying.

Clare Scott, Independent Adviser

Next Steps

Following feedback from the Pension Board, the Pensions Committee will be asked to agree priorities for governance reviews over the coming months.

A more detailed timetable for the governance reviews will then be produced and progress will be reported to the Pensions Committee and Pension Board on a regular basis.

Clare Scott
Independent Adviser

July 2023

Clare Scott, Independent Adviser

Appendix – Modules of The Pensions Regulator's <u>Draft</u> General Code of Practice

	Module Title	Applicable to LGPS? [1]	Recommended Priorities
Governing body	Role of governing body		LOW – wait for clarity on applicability
	Recruiting to the governing body	?	
	Member nominated trustee appointments	N/A	
	Role of the chair	?	
	Meetings and decision-making	?	
	Remuneration policy	?	
	Working knowledge of pensions	?	HIGH
	Governance of knowledge and understanding	N/A	
	Building and maintaining knowledge		
	Value for members	N/A	LOW – wait for clarity on applicability
	Managing advisers and service providers	?	
	Identifying and assessing risks.		MEDIUM
	Managing risk using internal controls		
	Assurance of governance and internal controls		
	Continuity planning		
	Conflicts of interest	?	
	Own risk assessment	N/A	
	Scheme governance	?	
Funding & Investment	Investment governance	?	LOW – although be cognisant of principles when reviewing investment monitoring
	Investment decision making	N/A	
	Implementation report	N/A	
	Investment monitoring	?	
	Stewardship	N/A	
	Climate change	N/A	
	Statement of Investment Principles	N/A	
	Default arrangements and charge restrictions	N/A	

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	Module Title	Applicable to LGPS? [1]	Recommended Priorities
Administration	Administration		Cyber HIGH Other Administration modules. Engage with third party administrator. MEDIUM
	Financial transactions		
	Transfers		
	Scheme records		
	Data monitoring		
	Maintenance of IT systems		
	Cyber controls		
	Receiving contributions		
	Monitoring contributions		
	Resolving overdue contributions		
Communications & Disclosure	General principles for member communications		MEDIUM Engage with third party administrator where applicable.
	Statutory financial statements (DC)	N/A	
	Statutory financial statements (DB)	N/A	
	Statutory financial statements (Public Sector Pension Schemes)		
	Retirement risk warnings and guidance	N/A	
	Short service refunds / refunds of contributions		
	Chair's statement	N/A	
	Scams		
	Publishing information about public service pension schemes		
	Audit requirements	N/A	
	Dispute resolution procedures		
Reporting to The Pensions Regulator	Registrable information and scheme returns		MEDIUM – include in training for Committee
	Who must report		
	Decision to report		
	How to report		

[1] As per DRAFT Code of Practice

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Further Information

Good Governance report and recommendations from Scheme Advisory Board.
https://lgpsboard.org/index.php/good-governance
including various appendices:
- Appendix 1 – Senior officer organisational structures
- Appendix 2 – New areas to be included in the Fund's Governance Compliance Statement
- Appendix 3 – Key Performance Indicators for annual report
- Appendix 4 – Independent Governance Review
- Separate annex report with summary of action points

The Pensions Regulator

Code of Practice 14
https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-14-public-service-pension-code-of-practice

Consultation on new General Code
https://www.thepensionsregulator.gov.uk/en/document-library/consultations/new-code-of-practice

Guidance on Equality, Diversity & Inclusion
https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2023-press-releases/guidance-launched-to-help-improve-pension-schemes-equality-diversity-and-inclusion

Clare Scott, Independent Adviser

| **Committee name** | Pensions Board |

| **Officer reporting** | James Lake, Finance |

| **Papers with report** | None |

RECOMMENDATION(S):

1. **The Pensions Board is asked to note this training update and discuss the options for further training.**
2. **The Board note their agreement to undertake a knowledge and skills competency assessment following the issue of the revised Code of Practice.**

BACKGROUND

There is a statutory duty on Pension Board members to undertake requisite training that will enable them to competently dispense their duties, as defined, by sections 5(1) and (2) of the Public Services Pension Act 2013 and regulation 106 of the Local Government Pension Scheme (LGPS) Governance Regulations 2013.

A training register is maintained to log training received by Local Pension Board members and track their knowledge and skills acquired. The register is used to monitor and identify areas of training and knowledge gaps of each individual member and address these needs. Training is carried out in line with the adoption of the training policy.

The Pensions Regulator Public Sector Toolkit

It was agreed that in keeping with the requirements of the Pensions Regulator, completion of the TPR public sector toolkit was mandatory. As at March 2023 all Board members had completed the TPR public sector toolkit.

Update on Training plan

The Pension Board had access to AON's comprehensive training programme that focusses on the new areas of the CIPFA Knowledge and Skills Competency Framework. It was agreed that all Board members would complete the requisite 7 modules to ensure their knowledge is current and covers the CIPFA framework.

1. Induction - Introduction to the LGPS
2. Pensions legislation and guidance, and national governance
3. Local governance and pensions procurement, contract management and relationship matters
4. Funding strategy and actuarial methods, and financial, accounting and audit matters
5. Investments – Strategy, asset allocation, pooling, performance, and risk management
6. Investments - Financial markets and products
7. Pensions Administration and Communications

Training Log

The Pensions Regulator Public Sector Toolkit has been completed by RH, TN and SW. MS as a new appointment is currently progressing through the toolkit.

Below shows progress against the AON programme delivering the competencies required under the CIPFA Knowledge & Skills Framework and additional training items completed by the Board during 2023.

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

	Date	Roger Hackett	Tony Noakes	Shane Woodhatch	Marie Stokes
The Pensions Regulator Public Sector Toolkit	On-demand	*	*	*	*
AON CIPFA Knowledge & Skills Areas of Training (7 Modules)	On-demand	*	*	*	0
LCIV TCFD	19 Jan 23	Y			
LGIM Equity & Long Lease Property	19 Jan 23	Y			
Investment Strategy Construction	8 Mar 23			Y	
Hymans Robertson Managing Risk in LGPS (Part 1)	23 May 23	Y			
Hymans Robertson Managing Risk in LGPS (Part 2)	22 June 23	Y			

*Completed in prior period.

Marie Stokes will provide a verbal update.

Updated Guidance
The Board has committed, following the issue of the revised Code of Practice, to undertake a knowledge and skills competency assessment to ascertain any new or refresher training requirements.

Financial Implications
The cost of training for the Pensions Board is fully covered by the pensions fund.

Legal Implications
There is a statutory duty on Pension Board members to undertake necessary training.

Pension Board Work Programme   Item 8

Committee	Local Pension Board

Officer Reporting	James Lake, Finance

Papers with report	None

REASON FOR ITEM

This report is to enable the Pension Board to review meeting dates and the future work programme for the Board. This report also includes the work programme for the Pensions Committee to enable, effective coordination between both bodies to support the Board in its role of ensuring compliance.

The work programme has been updated with suggested dates and items for 2023/24.

Recommendations

1) Board to make suggestions for future working practices and/or reviews and priorities.

INFORMATION

1. Planned dates for future meetings and potential topics to review are set out below.

Meetings	Specific topics
19 July 2023	• Administration Report • TPR Checklist review & focus areas • Training Update Report • General Code & Good Governance Update • Breaches Log • Review of Pension Committee
8 November 2023	• Administration Report • TPR Checklist review & focus areas • Training Update Report • General Code & Good Governance Update • Breaches Log

	• Review of Pension Committee
24 January 2024	• Appointment of Chair • Appointment of Scheme Member • Administration Report (Inc TPR Score) • TPR Checklist review & focus areas • Training Update Report • General Code & Good Governance Update • Board Annual Report • Breaches Log • Review of Pension Committee
10 April 2024	• Administration Report • TPR Checklist review & focus areas • Training Update Report • General Code & Good Governance Update • Breaches Log • Review of Pension Committee

Once information is known regarding the combined code and good governance framework this will be factored into the work programme.

FINANCIAL IMPLICATIONS

Costs relating to the work of the Board are paid for by the Pension Fund

LEGAL IMPLICATIONS

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