



HILLINGDON
LONDON

Pensions Board

Date: WEDNESDAY 24 January 2024
Time: 2.00 PM
Venue: Committee Room 3, Civic Centre, Uxbridge

This agenda is available online at

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

Employer Representatives

Shane Woodhatch (January 2027)
Marie Stokes (November 2026)
Anna Beattie (January 2028)

Scheme Member Representatives

Roger Hackett (December 2025)
Tony Noakes (January 2027)
Vacant

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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. Adopt updated terms of reference to extend Board membership to six
3. Appoint Pension Board Chair for Jan – Dec 2024
4. Note appointment of Anna Beattie as Employer representative for 4 years until January 2028
5. Note re-appointment of Shane Woodhatch as Employer representative for 3 years until January 2027
6. Declarations of Interest and any Conflicts of Interest
7. To approve the minutes of meeting held 8 November 2023
8. 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

9. Pension Board Operating Procedures
10. Pension Administration & Performance
11. Training Update and Log
12. Work Programme 2024
13. Pension Board Annual Report 2023

PART II

14. Cyber Update
15. Governance
16. Review of Pension Committee Papers

Members of the board are reminded to bring a copy of their Pensions Committee report pack from 13 December 2023, to the meeting

Minutes

PENSIONS BOARD

08 November 2023



Meeting held in Committee Room 3A, Civic Centre, Uxbridge

	<p>Employer Representatives: None</p> <p>Scheme Member Representatives: Roger Hackett – Chair (RH) Tony Noakes (TN)</p> <p>Also Present: Cllr Stuart Mathers – Chair, Pensions Committee (SM) Clare Scott, Governance Advisor (CS) Hayley Read, Hampshire County Council (HCC) Pensions Administration (HR) – agenda item 5 Anna Beattie HRUC (AB)</p> <p>LBH Officers Present: James Lake, Director – Pensions Treasury & Statutory Accounts (JL) Seby Carvalho, Pensions Technical Officer (SC) Ann-Marie Pereira, Executive Assistant – Minutes (AP)</p> <p>Apologies for Absence: Shane Woodhatch Cllr Kaushik Banerjee Marie Stokes</p>	
AGENDA ITEM	MINUTES/ACTION	ACTION/ LEAD
Agenda item 1	<p>Apologies for Absence</p> <p>RH welcomed all to the meeting; apologies noted, as above.</p>	Noted
Agenda item 2	<p>Declarations of Interest and any Conflict of Interest</p> <p>None.</p>	

<p>Agenda item 3</p>	<p>To approve the Minutes of the Meeting held on 19 July 2023</p> <p>The Minutes were approved as a true record of discussions.</p> <p>Matters Arising</p> <p>Cyber insurance: this has been discussed with HCC. JL advised that as it stands, HCC is not considering insurance and that the focus is on prevention; HCC would also need to get buy-in from the other partners. CS advised that other LGPS' were not considering insurance. The Board agreed to review this matter on an annual basis.</p> <p>Constitution: The Board discussed increasing membership to 3 each of the employer representatives and the scheme member representatives. JL to bring the revised Terms of Reference to the next Board meeting in January 2024.</p> <p>The Board asked that the Authority consider advertising the Employee Representative role to Pensioner members.</p>	
<p>Agenda item 4</p>	<p>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</p> <p>Confirmed that agenda items in Part 2 will be considered in private.</p>	<p>Agreed</p>
<p>PART 1</p>		
<p>Agenda item 5</p>	<p>Pension Administration and Performance</p> <p>Key points:</p> <ul style="list-style-type: none"> - HCC have delivered 100% against KPIs - Sign-up to the portal has increased. - HR provided the following update on cyber security – this was linked to the earlier discussion on cyber insurance. <p>HCC's intention is to have a 6-monthly penetration testing programme (carried out by an external company) on both the member portal and the employer hub.</p> <p>The most recent test highlighted 1 high vulnerability and several lows; the 1 high has been resolved (since 27.10.23); 2 of the lows have been resolved and the remainder are being worked on. The IT department has a number of other controls in place, which HR confirmed is consistent for all schemes.</p> <p>CS asked about what Civica (software provider) do to protect their system; HR advised that Civica carry out thorough internal testing on any software upgrade, before release; HCC then has more tests in place that are specific to the HCC system.</p>	

- **McCloud:** although a small number of employers have not provided the requisite data, legislation provides for these employers, which allows us to remain compliant. Local Government schemes are required to carry out a specific test – to see whether the member is paid the better of the two benefits ie had they stayed in the scheme.

Some of the ‘red’ flags in the Annual Returns and Employer Performance report are a concern but HCC have ensured that these relate to issues solely with the Annual Returns submissions.

CS suggested that there should be a timetable completing the backlog. HR advised that the software suppliers have focused on those calculations that were required by 01 October; HCC will now look at the retrospective calculations and will also pull together a timeline. LGA guidance has now been drawn up, which will go out to consultation shortly; this can then inform HCC’s plan.

RH asked whether the Scheme was compliant with the Regulations that are effect from the 01 October 2023; HR confirmed that the Scheme was fully compliant.

Pensions Dashboard: Those employers who have not been proactive in providing data will not be included in the dashboard. The dashboard applies to the whole of the pension industry, not just the LGPS. The programme is not likely to be abandoned; TPR has been given authority to issue fines to employers. HCC has met with the principle of dashboard programme, who was impressed with HCC’s progress, compared to other government schemes.

Annual Return Benchmarking: This is the first time we have published benchmarking data. There has been a slight decline in performance compared to the previous year; together with HCC, a letter was compiled and sent to all employers’ senior officers/Head Teachers highlighting potential penalties. Will update our administration policy accordingly with the changes in relation to compliance. We are supporting employers through the process eg offers of training, guidance.

With data quality of such high importance, RH questioned whether we are uncovering issues indicating that the previous administrator was not as accurate as we were led to believe. JL clarified that benchmarking related to the annual return data not the whole scheme data.

TN asked how we compare to other schemes that HCC administer eg Fire. HR confirmed that we are consistent with other schemes in terms of performance. Although this is the second time we are collecting benchmarking data, it is hoped

	<p>that there will be a marked improvement next year, especially now their performance has been highlighted, albeit it does take a while to embed practices.</p> <p>CS pointed out that if data is not returned properly every year, this impacts on the individual member service. It is becoming increasingly common for employers to submit a return every month on changes to the workforce. Are there plans for HCC to switch to monthly updates; HR advised that it is on the development roadmap and that discussion with a software supplier have commenced. This would mean a big shift for employers who find the annual process onerous. Noted that it would take 2 – 3 years to embed the monthly returns process.</p> <p>RH stated that data accuracy is one of the Board’s primary responsibilities, so this exercise would have the Board’s full support; the Board is aware of the efforts to educate employers, particularly schools.</p> <p>SM pointed out that the letter sets the tone on what is expected of employers, so the project should not be undermined by any non-compliance.</p> <p>CS pointed out that performance varies but we support employers through tricky times eg losing payroll staff, a new payroll system; the number benefits statements issued are a good measure of employer performance.</p> <p>On ABS and Pension savings statements, it is important for the Board and Committee to see the number of statements issued by the statutory deadline; any delays should be logged as a breach and the number of breaches should be monitored. A breakdown of return figures can be included in the next Committee report.</p> <p>Common and scheme specific data scores: are those figures better or worse. The deadline has been extended due to McCloud – JL will share the report and present to Committee in December.</p> <p>The Administration Strategy is being amended, will include information on fines and charges that will be passed on to employers.</p>	
<p>Agenda Item 6</p>	<p>Training Update and Log</p> <p>The log has been updated with RH’s training and JL advised that MS has completed her training.</p> <p>Knowledge and skills needs assessment: JL sought support to ask Committee to procure a platform to assess knowledge gaps and help develop a training plan.</p>	

	<p>The platform would be provided by Hymans Robertson and would cover all knowledge and skills requirements, the assessment tool and the broad framework to develop a training plan. The new code of practice would be taken into consideration by the toolkit.</p> <p>A manual is being compiled with high-level, bespoke Hillingdon reference documents eg fund managers, asset categories.</p> <p>RH highlighted a questionnaire which asked whether Pension Board member should be a paid role and whether this would aid in recruiting. RH personally was opposed to payment. The survey was asking whether paying PB members might overcome the recruitment difficulties that many PB have. This would be a decision for the administering authority/committee.</p>	
<p>Agenda item 7</p>	<p>Work Programme 2023</p> <p>The Board endorsed the 2023 plan.</p>	

Committee	Local Pension Board
Officer Reporting	James Lake, Finance
Papers with report	Revised Pension Board Operating Procedures

RECOMMENDATIONS

That the Board:

1. Note updated Pension Board Operating Procedures

INFORMATION

Changes to the Terms of Reference of the Board were considered at Pension Board meetings of February 2021 and April 2021. The proposed revised Terms of Reference were subsequently approved at Full Council at their meeting held on 15 July 2021.

The revised Terms of Reference provided for the Board to develop a more detailed Code of Practice to set out operation details and align with best practice and relevant guidance. The Code of Practice was agreed with the Board in July 2021 and duly renamed as Pension Board Operating Procedures.

Throughout 2023 the Board and Administering Authority have endeavoured to bolster the Board membership to provide greater robustness and allow for succession planning.

To this end, the Operating procedures have been amended to increase the size of the Board to six members. Both the Board and Administering Authority are mindful of the difficulties in recruitment, so considerations have been made to allow vacant positions, a minimum membership of four members and a quorate level of two members.

Updates and changes as highlighted include:

- Para 5 – ‘the code’ more general description
- Para 8 - updated board membership details
- Para 11 & 16 – addition of Training Policy compliance
- Para 19 – new paragraph to include succession planning and priority for new members.
- Para 20 – updated to show Administering Authority decision.
- Para 36& 37 – Training ‘Framework’ replaced with Training ‘Policy’.

Classification: Public

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Appendix – Terms and names of members removed (as now included in the agenda)

Recruitment of an Employer representative was successful, however, recruitment to the Scheme Member post has been unsuccessful to date. A recruitment drive will take place with retired members in Q1 2024.

FINANCIAL IMPLICATIONS

Training costs of new members and postal communications to Pensioners will be met by the Fund.

LEGAL IMPLICATIONS

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

Operating Procedures

LOCAL PENSION BOARD

London Borough of Hillingdon

Introduction

1. This document sets out the operating procedures of the Local Pension Board of the London Borough of Hillingdon, (the 'Administering Authority'), a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. The Board is established by the Administering Authority and operates independently of the Committee. Relevant information about its creation and operation is contained in these operating procedures.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.
4. Except where approval has been granted under regulation 106(2) of the Regulations the Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

Interpretation

5. The following terms have the meanings as outlined below:

'the Act'	The Public Service Pensions Act 2013.
'the Code'	means the Pension Regulator's Code of Practice
'the Committee'	means the committee who has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
'the Fund'	means the Fund managed and administered by the Administering Authority.
'the Guidance'	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.
'Operating Procedures'	means the detailed operational and governance

arrangements to which to the Council's constitutional Terms of Reference refer.

'the Regulations'

means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

'Relevant legislation'

means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.

'the Scheme'

means the Local Government Pension Scheme in England and Wales.

Statement of purpose

6. 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:
 - (a) secure 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 and.
 - (b) to ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

7. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members.

Membership

8. The Board shall consist of a minimum of four and maximum of six voting members as follows:

50% Scheme Member Representatives; and
50% Employer Representatives.

Posts may be vacant during the recruitment process.

9. There shall be an equal number of Scheme Member and Employer Representatives.

Scheme Member representatives

10. Scheme member representatives shall either be scheme members of the Fund or have capacity to represent scheme members of the Fund.
11. Scheme member representatives should comply with the Training Policy and be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
12. Scheme member representatives shall be appointed by the administering Authority and will be open to and representative of all scheme members of the Fund.
13. Scheme member representatives shall be appointed following a transparent recruitment process which should be open to all Fund members and be approved by the Administering Authority.
14. Substitutes shall not be appointed.

Employer representatives

15. Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.
16. Employer representatives should comply with the Training Policy and be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
17. A total of two employer representatives shall be appointed to the Board from any of the following sources:
 - a) As the majority employer in the fund the London borough of Hillingdon will hold at least one representative on the Board.
 - b) The majority employer representative shall be appointed following a transparent recruitment process.
 - c) The remaining employer representative shall be appointed where that body is open to and representative of all employers in the Fund.
 - d) Remaining employer representatives shall be appointed following a transparent recruitment process which should be open to all employers in the Fund and be approved by the Administering Authority.

- e) Remaining employer representatives shall be appointed by the Administering Authority where all employers will have been asked to submit their interest in undertaking the role of employer representative on the Board.

18. Substitutes shall not be appointed.

Succession Planning

19. The Administering Authority will aim to recruit new members to the Board before re-election is considered.

Re-Election

20. The Administering Authority is responsible for reappointing existing members to serve on the Board.

21. Re-election will take precedence ahead of any new appointment.

Pension Committee Observer

22. The Chair of the Pension Committee is entitled to attend all Board meetings as an observer and to facilitate the governance and scrutiny function of the Board.

23. The Chair of the Pension Committee does not have voting rights on the Board.

Appointment of Pension Board Chair

24. A Chair shall be appointed for the Board using the process listed below:

- (a) A Chair to be appointed by the employer and scheme member representatives of the Board. The Chair will rotate annually with equal distribution between employer and scheme representative.
- (b) The term of the appointment will be one year.
- (c) Should the nominated Chair not be available, a temporary Chair will be appointed either prior to, or at the meeting.

Duties of chair

25. The Chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in the Terms of Reference and the code,
- (b) Shall ensure that meetings are productive and effective, and that opportunity is provided for the views of all members to be expressed and considered, and
- (c) Shall seek to reach consensus and ensure that decisions are properly put

to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

Notification of appointments

26. When appointments to the Board have been made the Administering Authority will update details on their web page.

Term of Office

27. The term of office for Board members is four years.
28. The membership shall be staggered with each member either being replaced or re-elected over a rolling four-year period.
29. A schedule of member terms will be maintained – see appendix.
30. Extensions to terms of office may be made by the Administering Authority with the agreement of the Board.
31. A Board member may be re-appointed in accordance with clauses 19 & 20.
32. Board membership may be terminated prior to the end of the term of office due to:
 - (a) A member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
 - (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied.
 - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
 - (d) A Board member no longer being able to demonstrate to the administering authority their capacity to attend and prepare for meetings or to participate in required training.
 - (e) The representative being withdrawn by the nominating body and a replacement identified.
 - (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
 - (g) A Board member who is an elected member becomes a member of the Committee.
 - (h) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

Conflicts of interest

33. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.

34. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.
35. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

Knowledge and understanding (including Training)

36. Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined above. The Board shall adhere to the Training Policy to address the knowledge and understanding requirements that apply to Board members under the Act.
37. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Training Policy.
38. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Meetings

39. The Board shall meet four times each year.
40. Meetings shall normally take place, but not exclusively, in person between the hours of 14:00 and 17:00 hours at the address of the Administering Authority.
41. The use of virtual meetings is acceptable for Board Members, officer and advisers should circumstances or operational efficiency make it necessary.
42. The Chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Quorum

43. A meeting is only quorate when at least two representatives are present. This can be one from each of the scheme member and employer groups or two from the same group.
44. A meeting that becomes inquorate may continue but any decisions will be non-binding.

45. The meeting will remain quorate where the Chair is temporary and when at least 50% of representatives are present as per paragraph 42.

Board administration

46. The Chair shall agree with the Head of Finance – Statutory Accounting and Pension Fund (the 'Board Secretary') an agenda prior to each Board meeting.
47. The agenda and supporting papers will be issued at least five working days (where practicable) in advance of the meeting except in the case of matters of urgency.
48. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within thirty working days after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.
49. The minutes may with the agreement of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.
50. The Board Secretary shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.
51. The Board Secretary shall arrange such advice as is required by the Board subject to expenditure approval.
52. The Board Secretary shall ensure an attendance
53. A record is maintained alongwith advising the Administering Authority and expenses to bepaid under these terms.
54. The Board Secretary shall liaise with the Administering Authority on the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

Public access to Board meetings and information

55. The Board meetings can be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).
56. The following will be entitled to attend Board meetings in an observer capacity:
- (a) Members of the Committee,
 - (b) Any person requested to attend by the Board.

Any such attendees will be permitted to speak at the discretion of the Chair.

57. In accordance with the Act the Administering Authority shall publish information about the Board to include:

- (a) The names of Board members and their contact details.
- (b) The representation of employers and members on the Board.
- (c) The role of the Board.
- (d) The Board Terms of Reference
- (e) This Board Code of Practice.

58. The Administering Authority shall also publish other information about the Board including:

- (a) Agendas and minutes
- (b) Training and attendance logs
- (c) An annual report on the work of the Board to be included in the Fund's own annual report.

59. All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- (a) On the Fund's website.
- (b) As part of the Fund's Annual Report.
- (c) As part of the Governance Compliance Statement.

60. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A (2) of that Act and/or they represent data covered by the Data Protection Act 1998.

Expenses and allowances

61. The Administering Authority shall meet expenses of Board members in line with the Administering Authority's policy on expenses.

62. The Administering Authority shall not pay allowances for Board members.

Budget

63. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund and determined by:

- a) The Board will seek approval from Head of Finance – Statutory Accounting and Pension Fund, for any expenditure it wishes to make.

Core functions

64. 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.
65. The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme.
66. In support of its core functions the Board may make a request for information to the Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.
67. In support of its core functions the Board may make recommendations to the Committee which should be considered, and a response made to the Board on the outcome within a reasonable period.

Reporting

68. The Board should in the first instance report its requests, recommendations, or concerns to the Committee. In support of this any member of the Board may attend a Committee meeting as an observer.
69. The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board members provided that all voting members are present. If not, all voting members are present then the agreement should be of all voting members who are present, where the meeting remains quorate.
70. On receipt of a report the Committee should, within a reasonable period, consider and respond to the Board.
71. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.
72. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.
73. The appropriate internal route for escalation is to the Section 151 Officer.
74. The Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.
75. Board members are also subject to the requirements to report breaches of law under the Act and the Code.

Review of the Operating Procedures

76. These operating procedures shall be reviewed on each material change to

those part of the Regulations covering local pension boards and at least every three years.

J. Lake
Signed on behalf of the Administering Authority

R. Hackett
Signed on behalf of the Board

Published November 2021

Updated January 2024

Pensions Administration & Performance

Item 10

Committee

Local Pensions Board

Contact Officers

James Lake – Finance

Papers with this report

Hampshire Administration Report December 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 December 2023.

Key highlights are:

- 100% delivery against performance targets.
- 40.2% portal sign-up.
- Hampshire Cyber compliance statement approved.
- Active benefit statements now completed 99.38%. 77 members' statement not produced (due to lack of information from their employers). These will be picked up in 2024.
- McCloud returns received 83.74%. HPS no longer pro-actively chasing employers. In the absence of data being received, HPS will look to estimate service based on pay held on the record.
- Member Portal URL has now been changed to mypensionportal@hants.gov.uk. The original URL/website address will redirect to this for at least 15 months. HPS are also in the process of updating their emails, letters, and website.

Pension Regulator Scheme Return – Data Scores

Each year the Fund is required to assess and submit data quality scores to the Pensions Regulator. Two sets of data are recorded: common and conditional.

Category	2023	2023 Records Fail	2022	2022 Records Fail
Common	89%	3302	89%	3419
Conditional	89%	3287	87%	4027
Total Records	29,928		29,892	

Data type	Data check	Issue	Resolution
Common	Date Pensionable Service Started	This date is not recorded consistently across the member's record and is responsible for 2,885 (down from 2,913 last year) of the fails.	<i>Data cleansing is ongoing, but this check is also applied to pensioner records, and has no bearing on the benefits being paid so is deemed low risk.</i>
Common	Address status 'Lost Contact'	This affects 418 (increased from 357 last year) members and is a theme across other schemes we administer.	<i>An address tracing project has been completed previously, but a further review of records which have recently been marked as 'Lost Contacts' can be completed.</i>
Conditional	'CARE Revaluation'	The CARE pension for a previous year is either missing, or the correct revaluation rate has not been applied. This currently impacts 835 (down from 1,617 last year) members – a combination of active and deferred members.	<i>This will be picked up in ongoing data cleansing work and is also being resolved as part of historic leaver processing.</i>
Conditional	'Pre and post 88 GMP'	The GMP details held for approximately 955 (971 last year) members is not complete.	<i>We would expect these cases to be reduced/cleared by GMP rectification which is in hand.</i>

It is important to highlight that none of the issues above prevent HPS from calculating or paying a member's benefits, and as individual records are picked up by the teams for processing, they will naturally cleanse the record.

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.

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.**

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

All Pension Board members have completed CIPFA Knowledge and Skills Competency Framework previously provided by AON. The framework covers the following subject areas:

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

Below shows progress against the Pensions Regulator Public Sector Toolkit, 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	Anna Beattie Jan 2024
The Pensions Regulator Public Sector Toolkit	On-demand	*	*	*	*	Y
AON CIPFA Knowledge & Skills Areas of Training (7 Modules)	On-demand	*	*	*	Y	2 Modules **
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				
Sackers Quarterly Legal Update	13 July 23	Y				
Hymans Robertson LGPS Next Steps of Investment	14 Sep 23	Y				
Pensions Dashboard Programme Introduction to Pensions Dashboards	4 Oct 23	Y				
Hymans Robertson Managing Risk In the LGPS- Longevity	5 Oct 23	Y				
LCIV Equity Styles	13 Dec 23	Y	Y			
Total Hours		10	1	2	14	6.5

*Completed in prior period.

Training Policy states minimum requirements for Board members is to undertake 14 hours of training annually.

** Anna Beattie will give a further update on the AON toolkit progress at Pension Board.

Knowledge & Skills Assessment

An updated Training Policy with a Training Plan framework was approved by Pensions Committee in December 2023. The updates to the policy aim to satisfy the expected requirements of The Pensions Regulator's new code of practice, albeit the code has not been finalised.

Included in the Policy was requirement for a regular assessment of knowledge of skills of Committee and Board members. Pension Committee agreed the Hymans Robertson tool to assess Committee and Board members and to assist in identifying key areas of training focus.

The tool was issued the second week of January 2024 with all responses due by 26th January 2024. The results will then form the basis of the Training Plan.

In the meantime, and in line with current issues and previous requests, early sessions will include Conflicts of Interest and Benchmarking training.

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.

Work Programme & Future Agenda

Item 12

Committee	Local Pension Board
Officer Reporting	James Lake – Finance
Papers with report	Work Programme

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 2024/25.

Recommendations

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

INFORMATION

Attached is the Pension Board Workplan which highlights scheduled areas of work.

The next Pension Board Meeting is on the 8 May 2024 in committee room 4 at 2pm. Based on the workplan, the agenda is currently:

Administration performance
Training update
Workplan
Governance
Review of Committee Papers

Dates for 2024/25 Meetings

8 May 24
17 Jul 24
6 Nov 24
29 Jan 25
9 Apr 25

Classification: Public
Pensions Board 24 January 2024

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.

London Borough of Hillingdon Pension Fund - Pensions Board agenda plan

	Frequency	Last review	Jan-24	Q2 24	Q3 24	Q4 24
Governance - Board matters						
Election of chair	Annual	Jan-23	Y			
Election of Employer/Scheme Rep	Annual	Sep-22	Y			Y
Local Pensions Board Operating Procedures	Every 3 years	Nov-21	Y			
Local Pensions Board - Annual Report	Annual	Jan-23	Y			
Review of Effectiveness of the Board	Bi-Annual	Apr-23				
Training Update	Quarterly	Nov-23	Y	Y	Y	Y
Work Programme & future agenda	Quarterly	Nov-23	Y	Y	Y	Y
Governance - Other Fund matters						
Review of recent Pensions Committee meeting	Quarterly	Nov-23	Y	Y	Y	Y
Compliance with Pensions Regulator Code of Practice	Semi-Annual	Jul-23	Y		Y	
Regulatory Update	As required	Jul-23				
Pensions Administration & Performance	Quarterly	Nov-23	Y	Y	Y	Y
Governance	Quarterly	Nov-23	Y	Y	Y	Y
Draft Policies (ahead of approval by Pensions Committee)	As required					

ANNUAL REPORT TO PENSIONS COMMITTEE

Item 13

Committee	Local Pension Board
Reporting Officer	James Lake – Finance
Papers with report	Annual Report of the Board

RECOMMENDATION

1. That the Pensions Board review the draft annual report attached and suggest changes for the final version ahead of submission to the Pensions Committee

REASON FOR ITEM

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.

A draft report has been prepared and covers the period from January 2023 to December 2023. The Board is asked to review make input into this report to complete it for presentation to the Pensions Committee.

The Chair of the Pension Board has worked with officers to produce the annual report.

FINANCIAL IMPLICATIONS

The financial implications are included in the annual report. Any work commissioned by the Board or required through guidance or legislation will be charged directly to the Fund.

LEGAL IMPLICATIONS

The legal implications are included in the annual report. The Board's annual report ensures the Fund complies with the recommendation of the Scheme Advisory Board.

Pension Board Annual Report 2023

Contents

1. Chair's Foreword
2. Introduction
3. Summary of the Work of the Board
4. Areas of investigated by the Board
5. Details of Conflict of Interest
6. Areas of Concern or Risk
7. Training
8. Work Plan
9. Expenses

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 2023. At the Board meeting in January 2023, I was privileged to be elected to serve a second term as Chair of the Board during the calendar year 2023.

The Board met face-to-face for all four meetings during 2023. 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:

- Maintaining full compliance with the Pension Regulators code of Practice 14
- Assisting with the development of the Governance Plan ahead of formal 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.
- Monitoring progress and implementation of Investment Strategy Statement
- Scrutinising and challenging investment and adviser performance
- 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 Single Code of Practice
- 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 2024.

Roger Hackett - Chair of Hillingdon Local Pension Board (2023)

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 with effect from 1st 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 2023 consisted of two Employer representatives, and two scheme member representatives.

Membership of the Board

Employer Representatives	Scheme/Fund Member Representatives
Marie Stokes	Roger Hackett
Shane Woodhatch	Tony Noakes

Record of Attendance

Name	Jan -23	Apr-23	Jul-23	Nov-23
Roger Hackett	Y	Y	Y	Y
Tony Noakes	Y	Y	Y	Y
Marie Stokes	N	Y	N	N
Shane Woodhatch	N	N	Y	N

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 2023 period.

Governance advisers AON Hewitt (Q1 2023) and Clare Scott (Q2-Q4 2023) 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.

2023 saw the second 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 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 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 meeting has strengthened the partnership and demonstrates a high level of good practice.

TPR code compliance review

During 2023, the Board has collaborated closely with officers and the Fund remained in at 100% compliance across all Code of Practice areas.

Furthermore, the Board has been fully supportive in terms of preliminary steps taken by the Fund to ascertain where there may be gaps based on what is expected of the new General Code and Good Governance Framework. This has enabled the Fund to highlight key areas of focus and implement improvements ahead of any formal regulatory guidance being issued.

Effectiveness of the Board

During the year the Board assessed its effectiveness against SAB guidance. The process highlighted two recommendations. The first related to additional reporting on Internal Dispute Resolution Procedures (IDRP) which was subsequently implemented. The second outcome was the need to improve succession planning and Board resilience; in this regard work will be taken into 2024 to increase and strengthen Board membership.

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
- ESG – Stewardship Code and TCFD progress

Future Work of the Board

As partly noted in the Chair's foreword, a number of key areas will to be monitored in 2024 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
- Funding Strategy and Investment Strategy implementation
- 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 CoP 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.

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 McCloud

Judgement; Goodwin Judgement; GMP reconciliation and 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 when it is issued.

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	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	*	*	*	Y
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			
Sackers Quarterly Legal Update	13 July 23	Y			
Hymans Robertson LGPS Next Steps o Investment	14 Sep 23	Y			
Pensions Dashboard Programme Introduction to Pensions Dashboards	4 Oct 23	Y			
Hymans Robertson Managing Risk In the LGPS- Longevity	5 Oct 23	Y			
LCIV – Equity Styles	13 Dec 23	Y	Y		
Hours		10	1	2	14

*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 2024 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 January 2024 the Board will undertake a knowledge assessment which will form part of the Training Plan which is to be developed in Q1 2024. 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 2023

Meetings	Specific topics
18 January 2023	<ul style="list-style-type: none"> • Board appointment matters • Pension Administration & Performance • Training Update Report • Draft LPB Annual Report • Cyber Update & Review • Governance • Review of Pension Committee Reports
16 April 2023	<ul style="list-style-type: none"> • Pension Administration & Performance • Communications Strategy Review • Review Effectiveness of the Board • Training Update Report • Governance • Review of Pension Committee Reports
19 July 2023	<ul style="list-style-type: none"> • Pension Administration & Performance • General Code & Good Governance Review • Training Update Report • Governance • Review of Pension Committee Reports
8 November 2023	<ul style="list-style-type: none"> • Pension Administration & Performance • Training Update Report • Governance • Admission Strategy Review • Review of Pension Committee Reports

The 2024 future workplan of the Board is set out below.

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

9 Expenses

The Board incurred expenses of £134 in relation to its operations in 2023. (This does not include the standard governance support fees)