



HILLINGDON
LONDON

Pensions Board

Date: WEDNESDAY 8 May 2024
Time: 2.00 PM
Venue: Committee Room 4, 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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London Borough of Hillingdon,
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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 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. Appoint Pension Board Chair for Jan – Dec 2024
3. Declarations of Interest and any Conflicts of Interest
4. To approve the minutes of meeting held 24 January 2024
5. 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

6. Pension Administration & Performance
7. Training Update and Log
8. Work Programme 2024

PART II

9. Governance
10. Review of Pension Committee Papers

Members of the board are reminded to bring a copy of their Pensions Committee report pack from 26 March 2024 to the meeting

Minutes

PENSIONS BOARD Meeting

24 January 2024



Meeting held in Committee Room 3, Civic Centre, Uxbridge

	<p>Employer Representatives: Shane Woodhatch (SW) Anna Beattie (AB) Marie Stokes (MS)</p> <p>Scheme Member Representatives: Roger Hackett – Chair (RH) Tony Noakes (TN)</p> <p>Also Present: Clare Scott, Governance Advisor (CS) Andrew Lowe, Hampshire County Council (HCC) Pensions Administration (AL) – agenda items 10 & 14</p> <p>LBH Officers Present: James Lake, Director – Pensions Treasury & Statutory Accounts (JL) Tunde Adekoya, Pension Fund Accountant (TA) Seby Carvalho, Pensions Technical Officer (SC) Ann-Marie Pereira, Executive Assistant – Minutes (AP)</p> <p>Apologies for Absence: Cllr Stuart Mathers – Chair, Pensions Committee</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>	
Agenda item 2	<p>Adopt updated Terms of Reference to extend Board membership to six</p> <p>The Board has appointed a new employer representative; will continue to look for a scheme member representative.</p> <p>CS questioned the authority to approve/adopt the changes to the Terms of Reference – JL confirmed that delegated authority had been given to the Board, by Council as part of the constitution.</p>	

<p>Agenda item 3</p>	<p>Appoint Pension Board Chair for January – December 2024</p> <p>JL sought interest from Board members to appoint a new Chair.</p> <p>Chairing should rotate between Employer and Scheme Member representatives and for 2024, it is the turn of the Employer Representatives to Chair. SW indicated he would be happy to do so for this year depending on whether he could commit to all the meetings; JL advised that all meeting dates are in the diaries. As it was too soon for SW to take over, it was agreed that RH would continue as acting Chair for this meeting and that SW would confirm within a week's time as to whether he is able to take over for the remaining 2024 meetings.</p>	<p>SW</p>
<p>Agenda item 4</p>	<p>Note appointment of Anna Beattie as Employer Representative for 4 years until January 2028</p> <p>Noted. JL explained that AB's and SW's appointments are for 4 and 3 years, respectively, in order to stagger the ending of their terms. JL will look at those members ending their terms in November 2026 and January 2027.</p>	<p>JL</p>
<p>Agenda item 5</p>	<p>Note re-appointment of Shane Woodhatch as Employer Representative for 3 years until January 2027</p> <p>Noted, and as above (item 4).</p>	
<p>Agenda item 6</p>	<p>Declarations of Interest and any Conflict of Interest</p> <p>None.</p>	
<p>Agenda item 7</p>	<p>To approve the Minutes of the Meeting held on 08 November 2023</p> <p>The Minutes were approved.</p> <p>Matters Arising</p> <p>Page 6 – Pensions Dashboard: the comment regarding “employers not providing information” related to McCloud, not the Pensions Dashboard, and will be removed from the Minutes.</p>	

Agenda item 7	<ul style="list-style-type: none"> • Cyber insurance: RH advised (for SW's benefit) that following extensive discussions at previous meetings, it was agreed not to go ahead with cyber insurance. SW remains concerned that in the event of a major cyber incident, extensive costs could be incurred. RH indicated that this matter would remain under review annually. • RH confirmed he was pleased to see that the Employee Representative vacancy was to be advertised in the April Pensioners newsletter and hoped this might produce a better response than had been achieved previously. • Concerns about the transfer of Richmond to the scheme: the transfer of people has gone well but the assets (c£42m) are still to be transferred, however, Hymans Robertson and Barnett Waddingham are close to resolving this and completing the transfer from the Richmond and Wandsworth scheme. 	
Agenda item 8	<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>PART 1</p>	
Agenda item 9	<p>Pension Board Operating Procedures</p> <p>The Board can have its own operating procedures, which includes increasing the membership to six ie the main change. Another key point is that the training framework has been changed to a policy.</p> <p>The question was asked whether it is common practice not to have a vice-chair? CS indicated that a few boards have a vice chair or an independent chair. This would help with succession planning, hence JL to look into this.</p> <p>RH asked whether there will now be a lot of compliance work, now that the new code of practice has been issued. JL confirmed that achieving compliance would generate some work but as the Fund was fully compliant with the existing code, there would be a lot of good practice to build on.</p> <p>A broader conversation about the code would be discussed later in the agenda.</p>	<p>JL</p>
Agenda item 10	<p>Pension Administration & Performance</p> <p>Nothing adverse to report and the Board is happy with the performance overall.</p>	

	<p>Common and specific scores: RH mentioned that these are lower than what is expected by the Regulator but it is clear that we have a positive programme for cleaning our data, however, CS pointed out that there has not been much improvement in the scores and sought timescales to get the improvements completed.</p> <p>AL advised that a lot of work regularly goes into cleaning the data and whilst, predominantly this was due to the state of the records when transferred over from Surrey, now there has to be a balance between cost priority, time and effort.</p> <p>On address tracing, where numbers have gone up, this is because HPS have found people and then lost contact again. AL advised that this is not uncommon and that HPS and Hillingdon will consider a re-run of the address-tracing exercise.</p> <p>On the issue of timescales, AL questioned what benefit this would have or whether it was to improve the statistics? There is no issue in the way HPS are administering our scheme. Agreed JL to discuss with AL.</p> <p>On the HPS Annual report, problems in previous years are well behind us and 77 is a relatively small number of members' benefit statements not produced (due to lack of information from employers); these cases will be picked up in the 2023/24 return.</p> <p>The Board held in-depth discussions on the issue of employers not providing the scheme with member information. The report highlights some of the main employers in question (schools). JL advised that with the new Administration strategy (consultation ended on 22 January) – once approved at the March Pensions Committee meeting – the scheme will be able to charge those employers who create additional work by not ensuring information is provided via Data Plan; Data Plan are contractually obliged to act on behalf of the schools but as their contract is with schools, the Fund has no leverage, although with HPS' assistance, the Fund continues to push for the information. In addition, TA and SC raised the matter at the Schools Forum and a letter has also gone to the relevant Head Teachers, advising that their organisation would be reported to the Pensions Regulator. It was suggested that, as schools are accountable to their governing bodies, the next step should be to write to the schools' Board of Governors and if that does not yield results, then a report should be made to the Regulator; the letter should go from the Pensions Board.</p> <p>CS pointed out that this is costing the scheme, which in turn impacts all the members so is unfair to them. Breaches of the law should be recorded and consideration given to materiality, and potential reporting to the Pensions Regulator. SC to ensure all records of 'chasing' are maintained. SW also suggested meeting</p>	<p>JL</p> <p>JL</p> <p>SC</p>
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	<p>with the employers in question to highlight the actions that will be taken should they/Data Plan not comply with the request for information, including reporting them to Ofsted. JL did point out that we have spent £260k over 2.5 years for HPS to deal with over 4300 records (Approx £60 per member); this included all the unprocessed leaver forms transferred from Surrey, which HPS have followed up on. With HPS continuing at this pace, it is expected that the issues will be resolved by end of next year.</p> <p>McCloud: there are areas where data is not available but with clear government guidance now available, we can now follow the operational processes ie no longer chasing the employers but now making assumptions. HPS is going through the backdated data to apply this guidance. The Pension Board is satisfied that McCloud has been implemented satisfactorily.</p>	
Agenda Item 11	<p>Training Update and Log</p> <p>Noted that there are a couple of extra items of training completed by RH and TN in relation to equity style of investing.</p> <p>AB has completed the first two modules of the AON toolkit and TPR toolkit. CS pointed out that the policy requires these are completed in the first 6 months of tenure.</p> <p>Deadline to complete the Hymans Robertson Knowledge and Skills Assessment is Friday 26 January 2024; the Board agreed to set a good example and for all to complete by the deadline. The assessment was sent to the Board and Committee members and feedback will be used to develop a Training plan. The Training policy was implemented in December 2023.</p> <p>Implications for training with regard to the new Code to be dealt with under item 15.</p>	
Agenda item 12	<p>Work Programme 2024</p> <p>Dates noted; all to let JL know of any amendments.</p> <p>New Code of Practice – compliance with the current code needs to be monitored on a regular basis. RH advised that the Board had received regular reports; JL agreed but emphasised that we need to make sure we stay on top of actions and do a regular refresh of our proof of compliance.</p>	
Agenda item 13	<p>Pension Board Annual Report 2023</p> <p>Board to approve and take to Pensions Committee. RH thanked officers for their hard work. The report will be available on the website once approved by Committee.</p> <p>Agreed to remove “the 14 hours minimum training” as this was not</p>	

	a requirement during 2023.	JL
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Pensions Administration & Performance

Item 6

Committee

Local Pensions Board

Contact Officers

Tunde Adekoya – Finance

Papers with this report

Hampshire Administration Annual Report 2023/24.

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 March 2024 Annual report was distributed separately to Pension Board and summarises the work and achievements throughout 2023/24. For easy reference it is also attached to this report. Highlights include:

- 100% delivery against performance targets.
- Improved data quality overall – increased TPR conditional data score and high rate of benefit statement production reflect the annual returns, historic leaver, and day-to-day work completed throughout the year.
- 99.38% of active benefit statements and 100.00% of deferred benefit statements produced and published within the statutory deadline.
- Continued increase in Member Portal registrations – 43.06% of all members registered.
- Low number of complaints in comparison to the total membership and casework processed.
- Significant development of our online services for both Members and Employers.
- Significant work undertaken and processes implemented to monitor and improve Cyber Security.
- Achieved re-accreditation of Customer Service Excellence award, with 6 'compliance pluses' where expectations are exceeded.

Classification: Public
Pensions Board 08 May 2024

Audit of HPS is an on-going process and below are the position of 2023/24 pension audits:

Audit Area	Timing
<p>Pension Refunds: To assess that there are appropriate arrangements to ensure all refunds are valid, accurate and are paid promptly to the correct recipients following a validated request to withdraw from the schemes administered by HPS.</p>	Completed – Substantial assurance confirmed
<p>UPM – Application Review: <i>(This has been identified as a new audit review area)</i> Assurance over the management of the UPM application, including supporting infrastructure such as servers, databases, pre-production environments and system changes.</p>	Completed – Reasonable assurance confirmed.
<p>Pensions Payroll and Benefit Calculations: Annual review to provide assurance that systems and controls ensure that: -</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients. • All changes to on-going pensions are accurate and timely. • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	Completed – Substantial assurance confirmed

Future audit areas planned for 2024/25 include

Audit Area	Timing
<p>Pension leavers Audit of the controls to ensure accurate, prompt and complete administration of pension leavers, including the production of on-going annual benefit statements within agreed timescales, by HPS.</p>	Quarter 2/3
<p>Pension starters Review of the control framework to support appropriate, complete and prompt admission of new starters to the various pension schemes administered by HPS.</p>	Quarter 3
<p>Cyber Security To provide assurance over the cyber security arrangements within HPS.</p>	Quarter 3
<p>Pensions payroll and benefit calculations Annual review to provide assurance that Hampshire Pension Services' (HPS) systems and controls ensure that:-</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients; 	Quarter 3/4

- | | |
|---|--|
| <ul style="list-style-type: none">• All changes to on-going pensions are accurate and timely;• Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. | |
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Historic leavers

The historic back backlog continues to be cleared with 3287 of the 4158 cases now cleared. This leaves 871 remaining.

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	Tunde Adekoya – 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 2024 all Board members had completed the TPR public sector toolkit.

Update on Training

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

Further group training will be arranged in line with the training plan. Board members should also attend one-off training events and information sessions as they arise.

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 2024.

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

	Date	Roger Hackett	Tony Noakes	Shane Woodhatch	Marie Stokes	Anna Beattie
The Pensions Regulator Public Sector Toolkit	On-demand	*	*	*	*	*
AON CIPFA Knowledge & Skills Areas of Training (7 Modules)	On-demand	*	*	*	*	2 Modules **
Hymans Robertson 2023 Knowledge Progress Assessment (Training Needs Analysis)	On-demand	Y				
Module 3 Funding Strategy, and Actuarial Methods, and Financial Audit and Accounting Matters. Refresh. Individual training need from KPR Analysis. (AON)	On-demand	Y				
General Code of Practice (Mercer)	On-demand	Y				
Conflicts of Interest	22-03-2024	Y	Y		Y	Y
Investments Benchmarking	22-03-2024	Y	Y		Y	Y
Navigating 2024 LGPS accounting disclosures (Hymans Robertson)	26-03-2024	Y				
General Code of Practice. Next steps for the LGPS. (Hymans Robertson)	23-01-2024	Y				
Managing Risk in the LGPS. A spotlight on Cyber Risk (Hymans Robertson)	26-01-2024	Y				
tPR New General Code of practice and Public Service Schemes (AON)	29-01-2024	Y				
TPR General Code of Practice: A Governance Revolution. (Hymans Robertson)	31-01-2024	Y				
Risk Assessment in the new tPR General Code (AON)	07-02-2024	Y				
Next Steps with the General Code (Barnett Waddingham)	22-02-2024	Y				
General Code of Practice - How does it Apply to the LGPS (Barnett Waddingham)	19-03-2024	Y				
Buy-in and de-risking for LGPS funds (AON)	21-03-2024	Y				
Navigating the 2024 LGPS Accounting Disclosures. Update Training based on KPA personal training needs analysis. (Hymans Robertson)	26-03-2024	Y				
PDP webinar: Pension Dashboards - connection and progress update (Money & Pensions Service)	17-04-2024	Y				
Total Hours		17	2	0	2	2

*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 updated policy aims to satisfy the requirements of The Pensions Regulator's new code of practice.

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 received by 26th January 2024. Board members are reminded that they should revisit AON sessions when necessary.

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 8

Committee	Local Pension Board
Officer Reporting	Babatunde Adekoya – 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 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 17 July 2024 in committee room 4 at 2pm. Based on the workplan, the agenda is currently:

Administration performance
Training update
Workplan
Governance including General Code
Review of Committee Papers

Dates for 2024/25 Meetings

17 Jul 24
6 Nov 24
5 Feb 25
9 Apr 25

Classification: Public
Pensions Board 08 May 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	Q2 24	Q3 24	Q4 24	Q1 25
Governance - Board matters						
Election of chair	Annual	May-24				Y
Election of Employer/Scheme Rep	Annual	Jan-24			Y	Y
Local Pensions Board Operating Procedures	Every 3 years	Jan-24				Y
Local Pensions Board - Annual Report	Annual	Jan-24				Y
Review of Effectiveness of the Board	Bi-Annual	Apr-23				
Training Update	Quarterly	Jan-24	Y	Y	Y	Y
Work Programme & future agenda	Quarterly	Jan-24	Y	Y	Y	Y
Governance - Other Fund matters						
Review of recent Pensions Committee meeting	Quarterly	Jan-24	Y	Y	Y	Y
	Quarterly whilst new Code assessed	Jul-23	Y	Y	Y	Y
Compliance with Pensions Regulator Code of Practice Regulatory Update	As required					
Pensions Administration & Performance	Quarterly	Jan-24	Y	Y	Y	Y
Governance	Quarterly	Jan-24	Y	Y	Y	Y
Draft Policies (ahead of approval by Pensions Committee)	As required					