



Havering

L O N D O N B O R O U G H

LOCAL PENSION BOARD AGENDA

4.00 pm	Monday 18 June 2018	Committee Room 3a, Town Hall, Main Road, Romford
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Members 4: Quorum 3

Mark Holder, Scheme Member Representative
Anne Giles, Scheme Member Representative
David Holmes, Employer Representative
Virpi Raivio, Employer Representative

**For information about the meeting please contact:
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AGENDA ITEMS

1 CHAIR'S ANNOUNCEMENTS

The Chair will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) – receive.

3 DISCLOSURE OF INTEREST

Members are invited to disclose any interest in any items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES OF THE MEETING (Pages 1 - 6)

The minutes of the meeting held on 24 April 2018 are attached for information purposes only.

5 ELECTION OF CHAIRMAN

The Board's Terms of Reference state:

'5) Appointment of Chair

5.1 A Chair is to be appointed by the employer and scheme member representatives of the Board from amongst their own number on a rotating basis with the term of office shared between an employer and a scheme member representative on an equal basis.

5.2 The Chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference,
- (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.'

6 ANNUAL REPORT FOR 2017/18 (Pages 7 - 20)

The Board are asked to comment upon and to agree the Annual Report for 2017/18.

7 REVIEW OF THE LOCAL PENSION BOARD TERMS OF REFERENCE (Pages 21 - 30)

8 REVIEW OF WORK PLAN

**Andrew Beesley
Committee Administration Manager**

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**MINUTES OF THE MEETING OF THE
LOCAL PENSION BOARD
Committee Room 1-Town Hall - Town Hall
24 April 2018 (4.15 - 5.45 pm)**

Present:

Anne Giles, Employer Representative
Mark Holder, Scheme Member Representative (Chairman)
David Holmes, Scheme Member Representative
Virpi Raivio, Employer Representative

Officer attendance:

Caroline Berry, Pensions Projects and Contracts Manager, OneSource, LBH
Debbie Ford, Pensions Accountant, Pensions and Procurement
Lillian Thomas, Senior Accountant, Pensions and Procurement

All decisions were taken with no votes against.

31 CHAIR'S ANNOUNCEMENTS

The Chair reminded Members of the action to be taken in an emergency.

32 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

33 DISCLOSURE OF INTEREST

There were no disclosures of interest.

34 MINUTES OF THE MEETING

The minutes of the meeting were agreed as a correct record and signed by the Chairman.

The following matters arose from the minutes of the previous meeting, which were not covered elsewhere on the agenda:

- Minute No. 25 (i), Training Programme refers: Board members to review CIPFA knowledge and skills self assessment and send confirmation of completion to Debbie Ford.
- Minute No. 25 (ii), Training Programme refers: It was confirmed that the link to the Pension Regulator's toolkit for training on the Code of Practice had been provided to members. Members were requested to

inform Debbie Ford when modules were completed so that the training register could be updated.

- Minute No. 25 (iii), Training Programme refers: Members were advised that training would be put in place after the appointment of the Pensions Committee.
- Minute No. 25 (iv), Training Programme refers: The Chair confirmed that the training plan template had been circulated to members.
- Minute No. 25 (v), Training Programme refers: Board members to give consideration to training needs and inform the Chair of any requests.
- Minute No. 27, (i) Compliance Checklist refers: Once internal controls and an adequate process to evaluate risks are in place, Caroline Berry to contact Sarah Bryant to suggest internal audit carry out a review to ensure that procedures are sufficiently robust. Officers reported that Internal Audit had been asked to include Pension Fund on the audit list and that areas of focus would need to be identified. Members considered that the administrative side to be of high importance and requested that a brief outlining the scope of the audit be presented to them. Members would receive a formal written report once the audit had been completed.
- Minute No.27 (ii), Compliance Checklist refers: Officers confirmed that there was no requirement to have a standing item on the Pension Committee agenda to review scheme risks. It was explained that all reports to committees had financial and risk implications embedded. It was agreed that the Compliance Checklist document be amended to reflect this. Furthermore, a risk register is held and due to be updated.
- Minute No. 27 (iii), Compliance Checklist refers: Officers confirmed that AVC arrangements with Prudential were compliant, however it had proved difficult to establish whether Standard Life were compliant due to not having access to members statements.

Actions:

- i) All board members to review CIPFA knowledge and skills self assessment and send confirmation of completion to Debbie Ford – All members.
- ii) Board members to give consideration to training needs and inform the Chair of any requests – All members.
- iii) That a brief outlining the scope of the internal audit be presented to members – Lillian Thomas.

Clarification regarding the definition of an employee and a member in respect of liability insurance had been sought. Insurers had indicated that the intention was for Local Pension Board members to be covered, however confirmation from the underwriter was awaited. An update to members would be provided once a response had been received. The Policy would be renewed on the 1 July 2018, and members liability insurance would be included in the renewed document.

Action:

An update to be provided on whether members of the Local Pension Board are covered for any liabilities within the scope of the council's own indemnity provisions.

36 **COMPLIANCE CHECKLIST**

The following sections were discussed and points noted:

Section C – Conflicts of Interest

C2 – Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts? It was noted that Anne Giles, Virpi Raivio and Mark Holder had completed the TPR online toolkit module covering conflicts of interest, therefore it was agreed that the requirement was compliant.

C3 – Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)? As C2 above.

C4 – Does the appointment process for pension board members require disclosure of interest and responsibilities which could become conflicts of interest? Members agreed that the requirement was compliant as declarations were sought from members at each meeting.

C5 – Is the conflicts policy regularly reviewed? Members sought clarification on whom was responsible for the Conflicts Policy.

C6 – Does the Fund have a conflicts register and is it circulated for ongoing review and published? Members sought clarification as to whether their declarations should be published on the Council's website.

C7- Is appropriate information included in the register? As C6 above.

C9 – Do those involved know how to report a conflict of interest? Members agreed that the requirement was compliant as consideration had been given to training session on conflict of interests to board members.

Section G – Maintaining Contributions

G1 – Does the Fund have procedures and processes in place to identify payment failures? Member requested that an explanation be provided of the process in place to identify late payments.

G4 – Are these procedures regularly reviewed to ensure they are effective? Members considered that the Council were compliant in this area as finances were checked on a monthly basis against schedules, payroll and the bank. Furthermore, the situation was checked at year end.

G5 – Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach? The Council had a Charging Policy, however it did not contain specific information regarding late payments, however regulations allowed for this. Members suggested that when the Charging Policy was next reviewed, that reference be included to charging a fee for administration for processing late payments and interest charges.

G6 – Does the Fund maintain a record of any investigations and communications with employers? Members agreed that the Council would be compliant as of the 1 April 2018, when all communication between the pension fund and an employer regarding contributions would be held on a central record.

G8 – Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period? Members were advised that consideration to the process would be given during the review of the Charging Policy.

Actions:

C5 – Details of who hold responsibility for the Conflicts Policy to be provided to members, together with details of frequency of review – Victoria Freeman.

C6 – Clarification to be provided as to whether Local Pension Board members declarations should be published on the Council's website – Lillian Thomas.

G1 - An explanation to be provided of the process in place to identify late payments – Caroline Berry.

G5 - Members suggested that when the Charging Policy was next reviewed, that reference be included to charging a fee for administration for processing late payments and interest charges – Caroline Berry.

37 KEY PERFORMANCE INDICATORS

Members received the Performance Indicators Quarterly report. It was noted that there were areas for improvement and consideration was being

given to presenting information in respect of cases on hold and Members expressed concern that without this information they were unable to take a view on the report. Caroline Berry confirmed that spot checking for accuracy on cases was carried out.

LPP would complete the comments box for the next quarterly report to explain the context for the measures and explain the reasons for failure to meet the target. Members raised concern in respect of the data on deaths, retirements and employer estimates and requested that LPP be invited to attend the next meeting to present the data.

Action:

LPP to be invited to attend the next meeting to present the performance indicator quarterly report.

38 GENERAL DATA PROTECTION REGULATIONS (GDPR)

Caroline Berry reported that she had received template documents from the LGA, which included a template of understanding which would go to all employers and that privacy notices would be sent to all members together with an explanation before the 25 May 2018. An LGA question and answer document would also be made available on the website.

39 TO RECEIVE FEEDBACK FROM RECENT MEETINGS OF THE PENSIONS COMMITTEE

Members received feedback from the Pension Committee meeting held on the 13 March 2018, during which the following were noted:

- The Committee received and noted the Audit Plan as issued by Ernst and Young LLP for the work they planned to undertake for provision of an audit opinion on the pension fund accounts for the year ending 31 March 2018.
- Members received and noted a report which sought to set out the work of the Pensions Committee during 2017/18 and the plan of work for the forthcoming three years and of which would form the basis of the Pension Fund Business Plan.
- The Committee received and noted a report which informed of the decision to extend the investment Adviser contract for a further year until 31 March 2019.
- Members were presented a report on the London CIV consultation on their proposed strategy.
- The Committee received an overview of the performance of the Havering Pension Fund investments for the quarter to 31 December 2017. The net return on the Fund's investments for the quarter to 31

December 2017 was 3.2% (or £22m to £715m). This represented an outperformance of 0.9% against the combined tactical benchmark and under performance of 0.7% against the strategic benchmark.

40 **LOCAL PENSION BOARD ANNUAL REPORT**

The Chair advised that the Board's Annual Report would be finalised in the forthcoming weeks and would be presented at the Annual General Meeting in June 2018. The Chair would circulate the draft report to members for comment.

The Board would like clarification on their jurisdiction with regards the terms of reference and process to make changes. It was suggested that the number of members be increased due to the risk of David Holmes resigning from the board in 2019 and Mark Holder's term of appointment ending in 2019 and the need for contingency planning. Members were advised that a business case may be required due to the associated additional costs.

Action:

Draft Annual Report to be circulated to members for comment and the final version to be presented at the Annual General Meeting.

Chairman

LONDON BOROUGH OF HAVERING
LOCAL PENSION BOARD

ANNUAL REPORT

2017/18



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Chairman's opening remarks.

It is my pleasure, as the Chairman of Havering Local Pension Board, to introduce the Board's 2017/18 Annual Report. The Local Pension Board was established in 2015 following changes in the Public Service Pensions Act 2013. The Board's task is to assist the council by making sure it is administering the Local Government Pension Scheme (LGPS) effectively and efficiently and is compliant with the law.

The Board met formally three times from April 2017 to March 2018 with the fourth meeting rolling into April 2018 due to a cancellation. The board members attended training and pension workshops during this period and spent time reviewing paperwork in preparation for board meetings. A new work plan was agreed at the start of the year and board members have been busy working through the items on the work plan which covered a range of topics. The list of topics covered can be found in the body of the report

I would like to thank officers for their hard work and support in preparing the information for the discussions at pension board meetings and the on-going support for the board.

The Board continues to develop its knowledge and skills and is actively working through the items on the work plan. The pension environment is continually changing and the Board endeavours to keep abreast of these changes and is working hard to assist the council's pension administration in maintaining the high standards in the administration of the Fund.

Mark Holder
Chair of the Local Pensions Board
18th June 2018

Introduction

1. Local Pension Boards are constituted entirely under the Public Service Pensions Act 2013 and are not local authority committees.
2. The role of each Board is to help ensure each scheme complies with governance and administration requirements. They may have additional duties, if scheme or other regulations so specify.
3. Pension Boards need to have an equal number of employer and member representatives. They may also have other members, such as independent experts. All Pension Board members have a duty to act in accordance with scheme regulations and other governing documents.
4. Scheme regulations (or scheme-specific guidance) may provide further detail on the scope of the Pension Board and how it should operate, for example how many Pension Board members need to attend a meeting to be quorate and how often it should meet.
5. This Annual Report has been established to ensure Pensions Committee are aware of work undertaken and what is planned for the future.

Role of the Local Pension Board

1. The role of the Local Pension Board, as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to: -
 - Assist the London Borough of Havering 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;
 - To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
 - In such other matters as the LGPS regulations may specify;
 - Secure the effective and efficient governance and administration of the LGPS for the London Borough of Havering Pension Fund;
 - Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
2. The Pension Board will ensure it effectively and efficiently complies with the code of practice of the governance and administration of public service pension schemes issued by the Pension Regulator;
3. The Pension Board will also help ensure that the London Borough of Havering pension Fund is managed and administered effectively and complies with the

code of practice on governance and administration of public service pensions schemes issued by the Pension Regulator;

4. The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively;
5. In support of its core functions the Board may make a request for information to the Pensions 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;
6. In support of its core functions the Board may make recommendations to the Pensions Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Membership of the Board

The Board consists of 4 voting members, two representing employers and two representing scheme members.

Board members were appointed for a fixed term of 4 years, which could be extended for further periods subject to re-nomination.

Substitute members are not allowed.

Each Board member should endeavour to attend all Board meetings during the year and are required to attend at least 4 meetings each year, one of which must be the Annual Meeting.

In the event a Board member failed to attend three consecutive meetings, that individual would automatically be disqualified, unless failure was due to some reason approved by the Board before the date of the third consecutive meeting.

David Holmes and Virpi Raivio are appointed as Employer representatives and Mark Holder and Anne Giles as Scheme Member representatives.

Board Meetings

The Board met on three occasions up to the end of the financial year.

Meetings took place on 27 June 2017 (Annual Meeting), 26 September 2017, and 17 January 2018. The fourth meeting was cancelled in March 2018 and took place on the 24th April 2018.

Matters discussed by the Board

The following matters have been discussed by the Board:

- Pension training needs
- Tendering process for fund managers
- Pooled investments (London CIV)
- Annual report 2016/17
- Review of work plan
- Fair Deal and TUPE Transfer
- Pension regulator and scheme advisory board compliance checklist
- Administration key performance indicators
- Support for the board
- Pensions administration service changes
- Liability insurance
- Details of the Board's budget
- Pensions Committee meeting updates

There have been no conflicts of interest involving any of the work undertaken by the board or during any agenda items.

Training

The board members are committed to the legal requirement to acquire the appropriate knowledge and skills and to demonstrate and evidence these legal requirements. To do this the Committee and the Board jointly adopted the CIPFA Knowledge and Skills Framework (KSF) in 2015, it has adopted a register that shows that the training and development being undertaken during the year. The register can be found in Appendix 1.

To summarise:

Members have attended an LGPS Board Seminar that was delivered by the Pensions and Lifetime Savings Association.

Individuals have completed on-line learning from the Pensions Regulator as well as other self-directed learning which includes reading and e-learning.

All members have undertaken a training needs analysis.

One area of training has been planned for the future for board members which is detailed in the shaded area at the end of Appendix 1. Further training events will be organised once the training requirements of the pension committee have been assessed due to changes from the recent election.

Financial Position

Local Government Pension Scheme Governance Regulations 2015 section 106(9) states that the expenses of a Local Pension Board (LPB) are to be regarded as part of the costs of administration of the fund held by the administering authority.

Guidance issued in January 2015 suggested that it is appropriate for the LPB to be given adequate resources to fulfil its task.

Terms of reference adopted by Governance Committee on the 11 March 2015 and then the Council meeting on the 25 March 2015 also states that the LPB is to be provided with adequate resources to fulfil its role.

The estimated budget agreed by the Administering Authority's Statutory Section 151 officer and costs incurred for 2017/18 are shown in the following table:

Description	2015/16 Estimate £	2015/16 Actual £	2016/17 Estimate £	2016/17 Actual £	2017/18 Estimate £	2017/18 Actual £	2018/19 Estimate £
Members Allowance & Travelling	3,000	1,346	3,000	1,189	3,000	1,569	3,000
Support Services – Internal Recharge	8,000	880	8,000	920	8,000	820	8,000
Printing, Stationary & Office Expenses	3,400	3,348	3,400	0	3,400	0	3,400
Communication & Computing	500	0	500	0	500	0	500
Professional Advice	10,000	0	10,000	0	10,000	0	10,000
*Training & Development	10,000	6,038	10,000	5,550	10,000	2,650	10,000
Total	34,900	11,612	34,900	7,659	34,900	5,039	34,900

*Training costs of £10,000 is to be shared with the Pensions Committee to keep officer time and training costs to a minimum. The amounts shown above represent the LPB share of the costs.

Budgets have been set to cover a four year period to reflect the period of term that the LPB appointees will serve. 2017/2018 is the third operational year of the LPB. The LPB is accountable to the Administering Authority and prior approval will need to be sought from the Section 151 officer to amend budgets. The cost for the LPB is met from the Havering Pension Fund and approved by the Administering Authority's Statutory Section 151 Officer.

The Future

A new 18/24 month work plan has been agreed for 2017/18 and 2018/19.

This will cover the following areas:

1. Finalise the review of fair deal and TUPE policies and have a report on how the current changes, i.e. introduction of multi academy trusts and college reorganisation would impact on the Pension Scheme.
2. Ensure the pension regulator and scheme advisory board compliance checklist has been completed and is reviewed regularly.
3. Ensure a process is in place to make any items that have been identified as being non-compliant or partially compliant from the pension regulator and scheme advisory board compliance checklist are made fully compliant within agreed and acceptable timescales.
4. Request that the scheme manager provide evidence that the Administering Authority is meeting the pension regulators requirements in any areas that we require further assurance.
5. Review key performance indicators relating to the administration of the scheme and ensure an action plan is in place for indicators that are not meeting the agreed target.
6. Monitor progress of service transition of Pensions Administration to Local Pensions Partnership (LPP) and ensure that any changes to scheme administration are well planned and documented and that there are processes in place to ensure that there is no detrimental performance in any area of scheme management.
7. Ensure the scheme manager fully plans for any new legislation such as the General Data Protection Regulation (GDPR) which comes into force on the 25 May 2018 and we are compliant with all aspects of new legislation.
8. Report regularly to the pensions committee on the work of the pension board..
9. Ensure good communication and engagement between Pensions Board and Pensions Committee.

The Work Plan will be a live document and subject to change as necessary with a formal review at least every two years.

APPENDIX 1 – LPB MEMBERS TRAINING ALL YEARS

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
29 June 2015	Hymans – Fund Actuary delivered training: Why we are here Roles & Responsibilities Knowledge & Skills Brief overview of LGPS	Hyman's Office – One London Wall	KSF 1	£3,500 (shared equally between LBH and Redbridge)	Justin Barrett – Employer rep Mark Holder - Member rep Marshajane Thompson – Member rep David Holmes – Employer Rep
12 Aug 2015	Officers - Local Pension Board Induction covered: <ul style="list-style-type: none"> ○ Brief overview of the havering Pension fund ○ How the scheme is funded ○ Governance Structure ○ Key parties in the Fund ○ Investment Monitoring ○ Strategy documents ○ Valuation ○ LPB reporting requirements 	Town Hall – Prior to Local Pension Board meeting	KSF 1,2,4,5 & 6	Officer Time	Mark Holder - Member rep Justin Barrett – Employer rep (chair)
6 January 2016	Hymans – Fund's Actuary delivered TUPE Transfer Training, covered: <ul style="list-style-type: none"> • What is TUPE • Pension Protection & Regulations • Admission bodies documents & securities • Cessations 	Town Hall – prior to Local Pension Board meeting	KSF 6	£3,500	Mark Holder - Member rep Justin Barrett – Employer rep (chair)

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
25 April 2016	Pensions & Lifetime Savings Academy (PLSA) covered: <ul style="list-style-type: none"> • Governance Structure of LGPS • TPR approach to governance & Admin • Purpose & Responsibilities of National & Local Pensions Boards 	PLSA Offices, London	KSF 1	£450.00 + VAT	Mark Holder – Member Rep
15 June 2016	Pensions & Lifetime Savings Academy (PLSA) covered: <ul style="list-style-type: none"> • Governance Structure of LGPS • TPR approach to governance & Admin • Purpose & Responsibilities of National & Local Pensions Boards 	PLSA Offices, London	KSF 1	£900.00 + VAT	Marshajane Thompson – Member Rep Justin Barrett – Employer Rep (chair)
7 October 2016	Eversheds – LGPS: New Challenges, covered: <ul style="list-style-type: none"> • Update on LGPS Pooling • New Fair Deal update • 2016 Valuations • Legal, Investment & Brexit update 	Eversheds, one Wood Street, London	KSF 1 & 6	£100?	David Holmes – Employer Rep

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
28 November 2016	Pensions & Lifetime Savings Academy (PLSA) covered: <ul style="list-style-type: none"> • Governance Structure of LGPS • TPR approach to governance & Admin • Purpose & Responsibilities of National & Local Pensions Boards 	PLSA Offices, London	KSF 1	£450.00 + VAT	David Holmes – Employer Rep
13 December 2016	Hymans - Joint training with Pensions Board - Valuation 2016 Results covered: <ul style="list-style-type: none"> • 2016 Valuation framework • Valuing liabilities • Actuarial assumptions • 2016 results • What changed since 2013 	Havering Town Hall	KSF 6	£2,000	Mark Holder – Member rep David Holmes – Employer Rep
23 January 2017	Hymans - Joint Training with Pensions Board – Investment Strategy Training covered; <ul style="list-style-type: none"> • New investment Regulation 2016 • Overview of ISS/DCLG Guidance 	Havering Town Hall	KSF 5	£2,100	Justin Barrett – Employer Rep (chair) Mark Holder – Member Rep David Holmes – Employer Rep Anne Giles – Member Rep

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
	<ul style="list-style-type: none"> • What changed between SIP/ISS • Asset allocation rebalancing • Investment strategy evolution • Investment objectives • Overview of UK Stewardship code • Credit Strategies 				
1 February 2017	London CIV Stewardship Seminar	Guildhall, City of London	KSF1	Free	Mark Holder – Member Rep
1 March 2017	LCIV Annual conference including fund manager sessions		KSF4/5	Free	Mark Holder – Member Rep
28 June 2017	CIPFA & Barnett Waddingham – Local Pension Boards Two years on	Cheapside House, 138 Cheapside, London EC2V		£175	David Holmes - Employer Rep Mark Holder – Member Rep Anne Giles – Member Rep
3 November 2017	Association of Colleges	Webinar		FREE	David Holmes – Employer Rep

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
6 November 2017	CIPFA & Barnett Waddingham – LPB Autumn Seminar covers: Latest LGPS updates Reporting Breaches of Law Investment Regulations & related key policies	Cheapside House, 138 Cheapside, London EC2V		£125	Ann Giles – Member Rep Virpi Raivio- Employer Rep
21 November 2017	Hymans – Actuary- Admissions and TUPE policies	Havering Town Hall	KSF 6	Part of Actuarial contract	Mark Holder – Member Rep Anne Giles – Member Rep Virpi Raivio – Employer Rep
12 December 2017	Officers - Local Pension Board Induction covered: <ul style="list-style-type: none"> ○ Brief overview of the havering Pension fund ○ How the scheme is funded ○ Governance Structure ○ Key parties in the Fund ○ Investment Monitoring ○ Strategy documents ○ Valuation LPB reporting requirements	Central Library	KSF 1,2,4,5 & 6	Officer Time	Ann Giles (TBC) Virpi Raivio (TBC)
26 February 2018	CIPFA and Barnett Waddingham LGPS Local Pension Board Members Spring Seminar	Cheapside House, 138 Cheapside, London EC2V 6BW	KSF 1,2a	£125	Mark Holder – Member Rep and Chair Anne Giles – Member Rep Virpi Raivio – Employer Rep

DATE	TOPIC COVERED	LOCATION	KSF	COST	ATTENDED BY
27 June 2018	CIPFA and Barnett Waddingham – Local Pension Boards three years on	Cheapside House, 138 Cheapside, London EC2V 6BW		£175	Mark Holder – Member Rep and Chair Anne Giles – Member Rep Virpi Raivio – Employer Rep
Various	Pensions Regulator Public Service Toolkit:				Mark Holder – Member Rep Virpi Raivio – Employer Rep Anne Giles - Member Rep
	• Conflicts of interest	Online	KSF 1		Mark Holder – Member Rep Virpi Raivio – Employer Rep Ann Giles – Member Rep
	• Managing Risks and internal controls	Online	KSF1		Mark Holder – Member Rep Virpi Raivio – Employer Rep Ann Giles – Member Rep
	• Maintaining accurate member data	Online	KSF1		Mark Holder – Member Rep Virpi Raivio – Employer Rep Ann Giles – Member Rep
	• Maintaining member contributions	Online	KSF2		Mark Holder – Member Rep Virpi Raivio – Employer Rep Ann Giles
	• Providing information to members and others	Online	KSF2		Mark Holder – Member Rep Virpi Raivio – Employer Rep
	• Resolving internal disputes	Online	KSF2		Mark Holder – Member Rep Virpi Raivio – Employer Rep
	• Reporting Breaches of Law	Online	KSF1		Mark Holder – Member Rep Virpi Raivio – Employer Rep

Shaded area: Current planned training for 2018



Terms of reference for the Local Pension Board of the London Borough of Havering Pension Fund

Terms of Reference and Delegated Authorities

1) Introduction

- 1.1 The purpose of this document is to set out the terms of reference for the Local Pension Board of the London Borough of Havering pension fund.

2) Role of the Local Pension Board

- 2.1 The role of the Local Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –
- Assist the London Borough of Havering 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
 - to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator
 - in such other matters as the LGPS regulations may specify
 - Secure the effective and efficient governance and administration of the LGPS for the London Borough of Havering Pension Fund
 - Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.
- 2.2 The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
- 2.3 The Pension Board will also help ensure that the London Borough of Havering Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
- 2.4 The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.
- 2.5 In support of its core functions the Board may make a request for information to the Pensions 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.
- 2.6 In support of its core functions the Board may make recommendations to the Pensions Committee which should be considered and a response made to the Board on the outcome within a reasonable period of time.

3) Members of the Pension Board

3.1 The Pension Board shall consist of **4 voting** members and be constituted as follows:

- i) **2** employer representatives;
- ii) **2** scheme member representatives;

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

3.3 *Scheme Member representatives*

3.3.1 Scheme member representatives shall either be scheme members or have capacity to represent scheme members of the Fund.

3.3.2 Scheme member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

3.3.3 Substitutes shall not be appointed.

3.3.4 A total of 2 scheme member representatives shall be appointed from the following source:

3.3.5 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.

3.4 *Employer representatives*

3.4.1 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.

3.4.2 Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

3.4.3 Substitutes shall not be appointed.

3.4.4 2 employer representatives shall be appointed to the Board following a transparent recruitment process which should be open to all employers in the Fund and be approved by the Administering Authority.

3.5 Each employer representative and scheme member representative so appointed shall serve for a fixed **4** year period which can be extended for further period(s) subject to re-nomination.

3.6 Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least **4** meetings each year, 1 of which must be the Annual Meeting. Board members are not allowed to send a substitute in their absence. In the event that a Board member fails to attend **3** consecutive meetings, that individual will automatically be disqualified, unless the failure was due to some reason approved by the Board before the date of the 3rd consecutive meeting.

3.7 Board membership may be terminated prior to the end of the term of office due to:

- (a) A scheme member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund.
- (b) A scheme 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 London Borough of Havering their capacity to attend and prepare for meetings or to participate in required training.
- (e) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
- (f) A Board member who is an elected member becomes a member of the Pensions Committee.
- (g) 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.

3.8 The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience.

4) Appointment of Board Members Process

The process for selecting members of the Pension Board is set out below.

- Communications via different media will be sent to all scheme members (active, deferred and pensioners) and Employers of the fund, informing them of the creation of the board, where to find more information and how to apply for a position.
- An advert will be published on the Havering pension fund website www.yourpension.org.uk/handr inviting scheme members and employers to apply informing them of the creation of the Board, and how to be considered for appointment as a Board Member
- A short list will be prepared of those applications meeting the set out criteria
- Interviews of the short list candidates, interviews to be conducted by an interview Panel established by the scheme manager.
- Appointment of successful candidates
- The administering authority shall publish the names of the local pension board members on the Havering Pension website www.yourpension.org.uk/handr

5) Appointment of Chair

5.1 A Chair is to be appointed by the employer and scheme member representatives of the Board from amongst their own number on a rotating basis with the term of office shared between an employer and a scheme member representative on an equal basis.

5.2 The Chair of the Board:

- (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference,
- (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.

6) Quorum

6.1 The Board shall have a formal quorum of **3**. In the absence of the Chair, at any meeting, the members attending can appoint a Deputy Chair for that meeting.

6.2 Advisers and officers do not count towards the quorum

7) Conflicts of Interest

7.1 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.

7.2 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.

7.3 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 of Interest' policy and the requirements of the Code.

8) Standards of Conduct

8.1 The role of Pension Board members requires the highest standards of conduct and therefore the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct.

These are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

9) Board Review Process

- 9.1 The Board will undertake each year a formal review process to assess how well it and its committees, and the members are performing with a view to seeking continuous improvement in the Board's performance.

10) Advisers to the Board

- 10.1 The Board may be supported in its role and responsibilities through the appointment of advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including:

- A Governance Adviser
- The Fund's Actuary;
- The Fund's Administrator;
- The Fund's Legal Adviser;
- The Fund's Investment Manager(s);
- The Fund's Investment Adviser(s);
- The Fund's Employer Covenant Adviser;
- The Scheme Manager.
- Other advisers, so approved by the Scheme Manager.
- The Pensions Regulator

- 10.2 The Board shall ensure that the performances of the advisers so appointed are reviewed on a regular basis.

11) Knowledge and Skills

- 11.1 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 in paragraph 2 above.

- 11.2 A member of the Pension Board must be conversant with –

- 1 The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
- 2 Any document recording policy about the administration of the LGPS which is for the time being adopted by the London Borough of Havering Pension Fund.

- 11.3 A member of the Pension Board must have knowledge and understanding of –

- The law relating to pensions, and
- Any other matters which are prescribed in regulations.

- 11.4 It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

- 11.5 In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

- 11.6 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- 11.7 Pension Board members will comply with the Scheme Manager's training policy.

12) Board Meetings – Notice and Minutes

- 12.1 The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board, they shall be circulated to all members.
- 12.2 There will be **5** Pension Board meetings held per year, approximately 2 weeks after the Pensions Committee meeting, with 1 Annual meeting being held at the beginning of the committee cycle. The meetings are expected to be held during the day, normally commencing at 4pm in a Town Hall Committee room.
- 12.3 The Chair of the Board with the consent of the board members may call additional meetings but not less than 5 clear working days of that meeting.

13) Decision making

- 13.1 Each member of the Pension Board will have one vote but it is expected the Pension Board will as far as possible reach a consensus.

14) Publication of Pension Board information

- 14.1 Scheme members and other interested parties will want to know that the London Borough of Havering Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.
- 14.2 Up to date information will be posted on the London Borough of Havering Pension Fund website showing:
- The names and contact details of the Pension Board members
 - The representation of scheme members and employers of the local Pension Board
 - The role and responsibilities of the Pension Board
 - The full terms of reference and policies of the Pension Board and how they operate
 - The Pension Board appointment process
 -
- 14.3 The Board meetings will 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).
- 14.4 Pension Board papers, agendas and minutes of meetings will be published on the London Borough of Havering Pension Fund website, www.yourpension.org.uk/handr. These may at the discretion of the Scheme Manager 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.

14.5 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

15) Accountability

15.1 The Pension Board will be collectively and individually accountable to the Scheme Manager.

16) Expense Reimbursement

16.1 The remuneration for board members will be as follows;

- Board members will receive an allowance £117 (co-opted members amount for other committees) per scheduled meeting attended. No payment will be made for non-attendance.
- Reasonable travelling expenses for training will be reimbursed.

17) Budget

17.1 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 Havering Pension Fund and must be approved by the Section 151 Officer.

18) Reporting

18.1 The Board should in the first instance report its requests, recommendations or concerns to the Pensions Committee. In support of this any member of the Board may attend a Committee meeting as an observer.

18.2 Requests and recommendations to the Pensions Committee should be reported under the provisions of paras 2.5 and 2.6 above.

18.3 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.

18.4 On receipt of a report under paragraph 18.3 above the Committee should, within a reasonable period, consider and respond to the Board.

18.5 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.

18.6 Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee under paragraph 18.3 and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

18.7 The appropriate internal route for escalation is to the Monitoring Officer and/or the Section 151 Officer (as appropriate).

18.8 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.

18.9 Board members are also subject to the requirements to report breaches of law under the Act and the Code [and the whistleblowing provisions set out in the Administering Authority's whistleblowing policy].

19) Review of Terms of Reference

19.1 These Terms of Reference shall be reviewed on each material change to those parts of the Regulations covering local pension boards and at least every year.

19.2 These Terms of Reference were adopted on 26 August 2015.

20) Definitions

20.1 The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	Means the local Pension Board for the London Borough of Havering administering authority for the London Borough of Havering Pension Fund as required under the Public Service Pensions Act 2013
<i>"Scheme Manager"</i>	Means the London Borough of Havering as administering authority of the London Borough of Havering Pension Fund.
<i>"Chair"</i>	Means the Chair of the Pension Board
<i>"LGPS"</i>	<p>The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009</p> <p>In Scotland;</p> <p>The Local Government Pension Scheme as constituted by the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008, the Local Government Pension Scheme Administration) (Scotland) Regulations 2008, The Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 and the The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010]</p>
<i>"Scheme"</i>	Means the Local Government Pension Scheme as

<i>"Pensions Regulator"</i>	defined under "LGPS"
<i>'the Committee'</i>	Means the UK regulator of work-based pension schemes.
<i>'the Fund'</i>	Means the committee which has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972.
	Means the Fund managed and administered by the Administering Authority.

21) Interpretation

21.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be determined by the Scheme Manager.

Terms of Reference signed as accepted by the Local Pensions Board members

Name: Justin Barrett
Position: Chair of the Board
Date: 9/10/15




L B Havering

