



PENSIONS BOARD

Thursday, 29th November, 2018

at 10.00 am

Room 102, Hackney Town Hall, Mare Street,
London E8 1EA

Membership

Membership: Samantha Lloyd (Chair)
Kay Brown
Michael Hartney
Hugo Sparks

Tim Shields
Chief Executive

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The press and public are welcome to attend this meeting

AGENDA

Thursday, 29th November, 2018

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ACCESS AND INFORMATION

Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane, almost directly opposite Hackney Picturehouse.

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Buses 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

Facilities

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Induction loop facilities are available in Committee Rooms and the Council Chamber

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Copies of the Agenda

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The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director of Legal,
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Suki Binjal, Interim Director of Legal, Services, on 020 8356 6237 or email suki.binjal@hackney.gov.uk



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MINUTES OF A MEETING OF THE PENSIONS BOARD

WEDNESDAY, 21ST MARCH, 2018

Present: Samantha Lloyd, Kay Brown, Henry Colthurst, Michael Hartney

Officers in Attendance: Michael Honeysett (Director of Financial Management), Rachel Cowburn (Head of Pension Fund Investments), Peter Gray (Governance)

Also in Attendance: Katherine Pearce (Aon), Jonathan Malins-Smith (Observer)

1. Apologies for absence

1.1 There were no apologies for absence `

2. Declarations of Interest - Members to declare as appropriate

2.1 There were no declarations of interests.

3. Minutes of the previous meeting

3.1 The minutes of the meeting held on 25th October were agreed as a correct record with the following amendments:

- To amend, in line 2 of paragraph 4, GDRR to GDPR
- To insert 2017 after April in line 3 of paragraph 8.1

4. Training

4.1 The Board received a training presentation from Rachel Cowburn and Catherine Pearce (Aon) on the requirements of the Pensions Regulator, including on having clear roles and responsibilities, purpose and strategy together with proper record keeping and data improvement/ measurement.

5. Data Quality Progress Update

5.1 Rachel Cowburn introduced the report on progress made on issuing the 2016/17 Annual Benefits Statements to active members of the fund. The Board also noted actions taken to help improve the quality of data provided by the Council as an employer and the processes being followed to help the timely provision of data for the 2017/18 ABS exercise.

5.2 Rachel Cowburn reported that the category of 'Missing Data – statement outstanding', had not yet been completed. It had not been possible to issue a statement as no meaningful data was available for the individual. Ongoing concerns over the level of provision for LGPS employer functions by the Council had escalated.

Wednesday, 21st March, 2018

The Head of HR was to attend the Pensions Committee on 21st March to discuss these concerns and provide further detail on the Council's approach to ensuring that the Fund was provided with timely and accurate member data. Members asked to be circulated the minutes of the Committee in regard to this issue.

Action: Rachel Cowburn

5.3 The Board emphasised the need to ensure that any costs are borne by the relevant employer.

5.4 Rachel Cowburn reported that there was now more certainty around who active members of the scheme are. A new interface existed providing for increased accuracy. The Board noted that the Funds active membership was lower than was expected. It noted, in response to Board questions in relations to data collection, that processes and a timetable were in place and that efforts would be made to ensure that employers know what data they are required to provide.

RESOLVED:

To note the actions taken to issue the remaining 2016/17 statements and help ensure improvements for 2018/19.

6. Communications Policy Update

6.1 Rachel Cowburn introduced the updated Communications Policy Statement for the Pensions Fund. The Board noted the regulatory requirement for the Fund to have a Communications Policy Statement and for the Statement to be kept updated as required. The Policy had been amended for 2018/19 to reflect the introduction of the General Data protection regulation from 25th May 2018 and approved by the Pensions Committee on 4th December 2017, for publication on the Pension Fund Website. The policy had been further updated since that time to incorporate the future use of customer satisfaction surveys. In response to the Board's concerns it was confirmed that the reference to 'strategy' could be considered across the Communications Policy statement. The Board asked for information on how the feedback from surveys was used.

RESOLVED:

To note the update to the Communications Policy Statement 2018/19.

7. Pensions Administration Strategy

7.1 Rachel Cowburn presented the report introducing the draft Pension Administration Strategy. The report outlined the draft strategy for 2018/19, which had been updated to reflect changes to the Fund's third party administration contract. Rachel Cowburn stressed the need to provide employers with the support that they needed in this regard. The strategy would be kept under review and revised as appropriate following any material changes to policies.

RESOLVED:

To note the updated Pension Administration Strategy for publication.

8. Risk Register Review

8.1 Rachel Cowburn introduced the updated Pension Fund Risk Register, which detailed potential significant risks to which the Fund is exposed and which the Board as an oversight body for the Pension Fund required to be aware of. The Register also detailed the controls in place to manage these risks. Rachel Cowburn told the Board that the risk policy had been updated in November and was now in line with the Council's overall policy on risk reporting. She emphasised the need to report risk in a meaningful way.

8.2 The Board considered the risk register to be over detailed and emphasised the need for a more balanced approach to risk reporting.

RESOLVED:

To note the report.

9. GMP Reconciliation

9.1 Rachel Cowburn introduced the report providing the Pensions Board with an update on the Fund's GMP reconciliation (Guaranteed Minimum Pensions) exercise, which was being undertaken to ensure that scheme member records for periods spent contracted out of and second state pension were properly accounted for. The biggest challenge was to bring active members into the scope of the exercise. The Board noted that total spend so far was in the region of £200,000.

9.2 The Board asked whether there were mechanisms in place to ascertain the likely cost of delivering GMP. It was noted that Equiniti was separating out active members. There would be significant additional cost. In regard to liabilities to the fund the risk involved was expected to be small but there was insufficient available information to know risk past 1997. It was noted that HMRC would hold contracted out data.

9.3 The Board considered the exempt appendices to the report in the confidential section of the meeting.

RESOLVED:

To note the report.

10. End of Administration Report

10.1 Rachel Cowburn introduced the report detailing the role of the Pensions Committee and summarising its key activities over the 2014-2018 administration.

RESOLVED:

To note the report.

11. Any other business

11.1 Jonathan Malins-Smith (Observer) raised the question of appointing a

employer representative to the Board and it was noted that work was underway to find such a representative.

12. Exclusion of Press and Public

RESOLVED:

That the press and public be excluded from the proceedings of the Pensions Board meeting during consideration of exempt items on the agenda on the grounds that it would likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972, as amended.

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
London CIV Governance Update Pensions Board 29th November 2018	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 This report provides the Pensions Board with an overview of the governance arrangements of the London Collective Investment Vehicle (London CIV) and the recent changes made and the drivers behind them.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to note the report

3. RELATED DECISIONS

- Pensions Committee 23rd July 2018 – London CIV Update
- Pensions Committee 4th December 2017 – London CIV Update
- Pensions Committee 24th January 2017 – London CIV Update
- Pensions Committee 27th June 2016 – Investment Pooling Update and July Submission

4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

- 4.1 The CIV's presentation to the Fund will provide an update on progress to date as well as information with regards to future plans. Regular engagement with the London CIV going forwards is key to the Fund, ensuring that the Pool makes available the strategies and services that Hackney and other London funds require. Successful delivery of these objectives will be crucial in ensuring that the anticipated longer term investment manager fee savings can be delivered.
- 4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 The presentation to Committee will consider the ongoing changes to the way in which LGPS investments are managed. Regular engagement with the CIV should help the Fund meet the requirements set out in Government guidance and ensure that it is able to transition assets over to the Pool in a timely manner
- 5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND TO THE REPORT

- 6.1 The London Collective Investment Vehicle (CIV) was the first LGPS pool to be set up, to help the London LGPS funds benefit from bigger scale and cost savings. Initially established prior to the introduction of mandatory pooling for LGPS funds by the Government, the CIV became the first pool to receive FCA authorisation in 2015.
- 6.2 Despite good early progress, the CIV has faced a number of challenges over the past 18 months. Having initially been set up as voluntary pool, the CIV encountered difficulties with the introduction of mandatory pooling, with its large number of stakeholders and previous voluntary nature resulting in a lack of clarity around its vision and strategy. The CIV also experienced high staff turnover; high profile departures included the Chief Executive (CEO), Chief Investment Officer (CIO) and Assistant Director, Client Relations.
- 6.3 The need to clarify the vision and strategic direction of the London CIV was recognised by both the London Boroughs and the London CIV, resulting in the decision to undertake a strategy and governance review.

7. GOVERNANCE REVIEW AND CONSULTATION

- 7.1 A review of the CIV's governance arrangements was commissioned from Willis Towers Watson and carried out during late 2017. The review found that the CIV needed to refresh its governance arrangements and clarify its future direction.
- 7.2 Taking into account the findings of the governance review, the CIV launched a stakeholder consultation to engage with the Boroughs across 3 key areas; governance, client relations and investment. The consultation aimed to consider:
- The creation of effective supervisory arrangements to improve the channels of communication between LCIV and the London Boroughs (Shareholder perspective)
 - The needs of Local Authority Pension Funds to achieve their individual pooling objectives (Client perspective)
 - The maximisation of investment efficiencies are maximised to ensure that the benefits of fee savings and enhanced performance (50 bps p.a.). are realised. (Investment perspective.)
- 7.3 A set of proposals across these 3 categories was sent to Boroughs for comment in February 2018. The Boroughs, including Hackney, responded in March 2018.

8. CHANGES TO GOVERNANCE STRUCTURE

- 8.1 One of the key outcomes of the consultation was the approval of proposals to change the governance structure of the London CIV. The original governance structure used the Pensions Sectoral Joint Committee (PSJC), a Committee of London Councils, as the key forum for shareholder engagement. The PSJC included representatives from all 32 London funds and was run as a formal Committee of London Councils.
- 8.2 The consultation proposal, which was approved by Boroughs, recommended disbanding the PSJC and replacing it with a Shareholder Committee to act on behalf of the Shareholders as a consultative body, including on the Company's business plans and financial performance, and topics such as Responsible Investment.

- 8.3 The Committee has now been established and consists of 12 members: 8 Local Authority Pension Committee Chairs (or Leaders of London Local Authorities) and 4 Local Authority Treasurers. The Chair of the Board of London CIV is also a member of the Committee. The Shareholders Committee will meet at two General Meetings of London CIV each year, one to approve the budget, and an AGM.
- 8.4 The first nominations of elected members (Local Authority Pension Committee Chairs or Leaders) were made via the London Councils collective political processes (and the Society of London Treasurers in the case of Treasurers) and were ratified at the London CIV AGM on 12 July 2018. Cllr Robert Chapman and Ian Williams have both been appointed to the Shareholder's Committee in their roles as Pensions Committee Chair and Borough Treasurer respectively
- 8.5 A further proposal approved by the London Boroughs was to appoint 2 more Non-Executive Directors, representative of the shareholders (expected to be Leaders of London Local Authorities), to the Board of the CIV. A Treasurer has been appointed to the Board as an observer, but not a member of the London CIV Board.

9. OTHER CHANGES PROPOSED

- 9.1 Changes to the CIV's client engagement and investment approaches were also considered as part of the consultation process. Borough feedback on a number of these issues remains under consideration by the CIV, although some recommendations, such as the development of a Responsible Investment policy, have been taken forward.

Ian Williams

Group Director of Finance & Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6012

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REPORT OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES		
Third Party Administration Contract Implementation update Pensions Board 29th November 2018	Classification PUBLIC	Enclosures None AGENDA ITEM NO
	Ward(s) affected ALL	

1. INTRODUCTION

- 1.1 In January 2017 a procurement exercise commenced to identify a provider of Third Party Administration Services for the Hackney Pension Fund. The contract was due to commence 1st January 2018 for a period of 5 years, with the potential to extend this for up to a further 3 years. In May 2017 Equiniti, who were the existing third party administrator, were notified that they were successful in being awarded the new contract. Since then, the officers of the Fund, assisted by Aon, have been working with Equiniti to ensure the requirements of the new contract can, and are, being met. This report provides an update on progress made including the benefits of the new contract to the Fund and its stakeholders.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to:
 - Note the contents of the report and particularly the improvements the new third party administration contract will provide to the scheme members, employers and Hackney Council in its role as the administering authority to the Fund.

3. RELATED DECISIONS

- Pensions Committee 6th December 2016 – Procurement of Third Party Pension Administration Services
- Pensions Committee 24th January 2017 – Third Party Pension Administration Procurement
- Pensions Committee 25th April 2017 – Procurement of Third Party Pension Administration Services

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

- 4.1 In recent years the benefits being offered by the LGPS have increased in complexity. However, recent advances in technology have expanded the ways by which administration can be carried out including how the benefits are communicated to scheme members. There is also much greater focus by the Pension Regulator (tPR), CIPFA and the LGPS Scheme Advisory Board, on ensuring good quality administration services including efficient and accurate data collection.
- 4.2 The review of Hackney Pension Fund's third party administration contract provided an opportunity to improve the standards of service for our scheme members,

employers and the administering authority itself. The implementation period has been longer than hoped, but it is anticipated that this will result in a much higher standard of service than under the previous contract, but at a similar cost.

- 4.3 It will be critical for the officers of the Fund to continue the robust contract management to ensure that the final service improvements are implemented, that Equiniti continue to deliver the service to the standards required in the new contract and that the costs remain as outlined in their tender submission.

5. COMMENTS OF THE DIRECTOR OF LEGAL & GOVERNANCE

- 5.1 The responsibilities for the proper administration of the Fund have been delegated by the Council to the Pensions Committee with the assistance of Pension Board members and senior officers. This is an onerous responsibility given the complexity of the scheme and the difficulty to recruit sufficient experienced staff and, as such, the Committee previously decided to outsource much of this work to a private contractor. It is critical that this contract is monitored on an ongoing basis to ensure Equiniti are meeting their contractual requirements. This includes the Council's legal responsibilities in administering the fund, such as ensuring benefits are calculated in accordance with and paid within the timescales set out in legislation.
- 5.2 Not adhering to the overriding legal requirements relating to the administration of the Fund could impact on scheme members' benefits as well as services to the employers in the Fund. This could result in complaints and potential fines for maladministration.
- 5.3 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 Equiniti was re-appointed as the successful provider of third party pension administration services following a robust tender process. They were advised of this re-appointment in May 2017 with a view to the new contract commencing 1st January 2018.
- 6.2 The requirements of the new contract included a number of changes and improvements to the services required, and these are laid out in a detailed specification of service. Some of the key elements of this, including the main improvements compared to the last contract, are outlined in Appendix 1. In addition, the new contract also includes a schedule of service standards, detailing the targets and timescales that must be adhered to, and the required reporting for specific tasks. This relates to processes involving scheme members, employers and other third parties such as HMRC. An extract of the service specification is in Appendix 2.
- 6.3 Since May 2017, the officers of the Fund, supported by Aon, have been working with Equiniti to ensure that the requirements of the new contract will be delivered. This has involved regular project meetings where Equiniti have evidenced their approach to each element of the specification. Unfortunately it has taken much longer than anticipated for the officers of the Fund to be assured that the requirements of the service specification are being met. However, most of the new service requirements have been met and signed off, enabling the contract to 'go live' on 1st July 2018.
- 6.4 The service requirements that are still being developed are:

- Data reports & on-line facilities - an employer interface file and secure portal facility for providing monthly information (see point 6.5)
- Engagement - an employer engagement strategy which will detail how Equiniti will engage with employers and provide support and education in respect to their responsibilities
- Communications - all communications such standard letters, forms and guides have been subject to a complete review, and improved versions are due to be implemented in the next few weeks. There is however still some ongoing work relating to a small number of letters and employer guides.
- Monthly reporting – Equiniti are required to provide a detailed monthly performance report to the officers of the Fund which details workloads, work completed and targets achieved, or if targets are not met they are to provide an explanation as to why. The report also highlights forthcoming projects, resources required and timeframes. The majority of the new reporting requirements has been developed, but some further work is required to ensure the information meets the expected standards.
- Member website and member self-service on-line functionality – these new facilities are very close to being signed off ready to launch to the membership. This will be a major improvement in how information is provided to scheme members and how members can access their own pension details directly.
- Greater quality controls and training – there is still some work to be done in this area to ensure compliance with the new contract (see point 6.6).

- 6.5 The most critical area of work that remains to be completed, relates to the employer interface and the overall strategy for engagement with employers. The Fund has, historically and still to date, had to deal with a number of major issues relating to data accuracy and compliance that have arisen from the data, or lack of data, that has been provided by Hackney Council in its capacity as an employer in the Fund (i.e. relating to employees of Hackney Council). The continued failure of Hackney Council to provide timely and accurate pension information to Equiniti has resulted in continued pressure on the administering authority try and rectify as much of the data as possible each year, a rise in the number of complaints from members of the LGPS, as well as the need for the Fund to report itself to the Pension Regulator for the last 3 years. The reason for this is that Fund has not been able to produce and issue the annual benefit statements within the regulatory timeframe, i.e. 31st August each year.
- 6.6 In July 2017, Hackney Council migrated their payroll from Northgate to Midland iTrent, and this change in provider has provided the opportunity for the officers of the Fund, Equiniti and Hackney Council ICT to focus efforts on building a suitable interface that will provide the detailed pension information that is required from Hackney Council to be sent to Equiniti on a monthly basis. The move to this monthly interface will be a major improvement, providing efficiencies for both Hackney Council and Equiniti, and much improved data quality.
- 6.7 The testing of this interface is now coming to a conclusion, albeit there is a large data cleansing exercise that will be required to match the information held by the Council's payroll system and the data held at Equiniti, before the monthly interface will be fully operational. This data cleansing is currently being carried out by Hackney Council payroll officers, Fund officers and Equiniti, and the success of the data cleansing will continue to rely on available, and additional, resources from all 3 of those areas. The

current expectation is that the data cleansing will be complete in the next 2 to 3 months, with a view to the interface being fully functional in early 2019. It is critical that the interface is fully up and running before the 2018/19 year-end, in order to avoid another year of inaccurate data and delays which will then, once again, impact on the ability to issue annual benefit statements within the regulatory time-frame.

- 6.7 The officers of the Fund continue to have some concerns about the standard of quality controls, automation and training within Equiniti. In recent months there have been further examples of incorrectly calculated or communicated scheme benefits which have been highlighted to Equiniti by the administering authority, so they can take corrective action. This is a key part of the continued discussions with Equiniti, and will continue to be so as part of the monthly contract implementation meetings.

Ian Williams

Group Director, Finance & Corporate Resources

Report Originating Officers: Julie Stacey ☎020-8356 3565 / Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6012

List of appendices:

Appendix 1- Summary of specification of services and key improvements

Appendix 2- Extract of required service standards

Appendix 1 - Summary of specification of services and key improvements

	Area	Key improvements compared to previous contract
4	Relationship Management, Performance and Management Reporting	More comprehensive monthly reporting and service standards which include clearer targets and proactive reporting of all breaches of the law.
5	General Requirements	A greater customer focus, commitment to continual improvement and innovation, quality control and having appropriately skilled workforce.
6	Data and Record Keeping	New data checks at point of entry via a secure portal and development of a data improvement plan.
7	Other General Matters Relating to the Delivery of the Service	Greater clarity on exactly what is required in all of these areas and any limitations on the services being provided.
8	New Joiners and the 50/50 Scheme	
9	Additional Contributions and Benefits	
10	Transfers and Aggregation	
11	Pension Sharing and Earmarking Orders	
12	HMRC Restrictions	
13	Leavers	
14	Retirements	
15	Deaths	
16	Pensioner Payroll Services	Improved accounting processes, including details of transfer values and other financial information recorded at individual employer level.
17	Accounting and Banking	
18	Communication	<p>New scheme member website;</p> <ul style="list-style-type: none"> - User friendly - factsheets, guides, contact details & forms <p>On-line member self service facility;</p> <ul style="list-style-type: none"> - view/update some personal information & check service details - run early retirement/ normal retirement quotations. <p>Statistics will be provided on the use of both these facilities on a</p>

		<p>monthly basis</p> <p>A complete review of all communications;</p> <ul style="list-style-type: none"> - increased & improved range of scheme member and employer factsheets & guides <p>Introduction of a call centre telephone helpline;</p> <ul style="list-style-type: none"> - instant access to knowledgeable staff to provide information & guidance to members - monitoring number of calls, response times & customer feedback
19	Employer Services	<p>Introduction of a secure employer portal;</p> <ul style="list-style-type: none"> - employers to upload monthly information with data validation at point of entry - instant monitoring of data quality from employers - continued monitoring of data corrections required from employers <p>Employer Engagement Strategy</p> <ul style="list-style-type: none"> - Equiniti to be more proactive in the education of employers - additional support and training provided where employers are not fully meeting their responsibilities.
21	Complaints, Compliments and Errors	Proactive monitoring and reporting of all complaints, errors and issues.
22	Contracting Authority Support and Training	
23	Other Reporting and Liaison with Stakeholders	
24	IT Systems	<p>Improved data recording on pension administration system;</p> <ul style="list-style-type: none"> - detailed record keeping of all LGPS contributions - AVC contributions

Appendix 2 - Extract of required service standards (samples only)

Monitoring of Core Services:

	Specification Reference	Process	Initial target and Services Standard	100% Target Standard	KPI?
1)	Section 4– Performance Reporting	Reporting - provide monthly report	99% within 10 days from end of month	15 days from end of month	Yes
2)	Section 5.2 Customer Focus, Paragraph 21	Acknowledging communications (circumstances as agreed with Contracting Authority)	95% within 5 days	8 days	
3)	Section 7.1 – Other General Matters, Paragraph 46	Ad-hoc data requests and reports	95% within 5 days	8 days	
4)	Section 7.2 Estimates & Quotations, Paragraph 47	Estimates or quotations of benefits.	95% within 10 days	15 days	Yes
5)	Section 8 – New Joiners and the 50/50 Scheme	New Joiner – overall case target to issue notice of joining (unless a transfer in is being investigated)	95% within 1 month from initial notification	40 days from initial notification	
6)	Section 10 – Transfers and Aggregation	Transfers in (LGPS and non-LGPS) – Request details from previous pension arrangements	95% within 5 days	8 days	
7)	Refunds of Contributions, Paragraph 131	Calculate and pay refund of contributions	95% within 10 days	15 days	

	Specification Reference	Process	Initial target and Services Standard	100% Target Standard	KPI?
8)	Deferred Members, Paragraph 135	Calculate and notify deferred benefits	95% within 10 days	15 days	Yes
9)	Section 14 – Retirements	Overall case target to later of payment of lump sum and notification of final benefits	95% within 20 days from date of retirement	27 days from date of retirement	Yes
10)	Section 14 –Retirements - Paragraph 143-151	Notification of final benefits and payment of lump sum (both to be completed in timescale)	95% within 5 days	8 days	Yes
11)	Section 15 – Deaths	Overall case target to later of payment of lump sum and notification of final benefits	95% within 25 days from date of death	30 days from date of death	Yes
12)	Section 15 –Paragraph 155	Notification of benefits due and payment of lump sum death benefit (both to be completed in timescale)	95% within 3 days	5 days	
13)	Section 18 – Communications	Updating all communications in relation to a scheme or other change (note – repeated for potential services too)	100% Before effective date of change or 1 month from Regulations (or other information) being made if later	Before effective date of change or 1 month from Regulations (or other information) being made if later	Yes
14)	Section 18.3 – Website and Stakeholder On-line services	Respond to member for on-line request for information	95% within 5 days	8 days	Yes

	Specification Reference	Process	Initial target and Services Standard	100% Target Standard	KPI?
15)	Section 20 – Liaison with actuaries	Provision of all data for triennial actuarial valuation	100% by 31 st July	31 st July	Yes
16)	Section 21 – Complaints, Compliments and Errors	Providing full complaint response to a person complaining	75% within 5 days	8 days	

Monitoring of Employer Responsibilities:

	Specification Reference	Process	Standard	Target
17)	Section 8 – New Joiners and the 50/50 Scheme, paragraph 59	Employer provides new start information/starter form	15 days from date of joining	95%
18)	Section 13 - Leavers	Employer provides leaver information	15 days of month end of leaving	95%
19)	Section 14 – Retirements	Employer provides initial notice of retirement	15 days before date of retirement	95%
20)	Paragraph 146 and Section 17 – Accounting and Banking, paragraph 180	Employer pays invoice relating to strain payment or other costs or charges	1 month	95%
21)	Section 17 – Accounting and Banking, paragraph 183	Employer issues schedule of information relating to contribution payments (LGPS Regulation 69(3)) from employer	19 th of the month following the month to which they relate	100%

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REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
REVIEW OF PENSIONS COMMITTEE PAPERS – April - September 2018 Pensions Board 29th November 2018	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 The purpose of this report is for the Pensions Board to consider the work undertaken by the Pensions Committee at its meetings in the period from April to September 2018 and to note items that are relevant to the work of the Pensions Board.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to note the report

3. RELATED DECISIONS

- Pensions Committees (23rd July 2018, 12th September 2018)

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 Understanding the remit of and decisions taken by the Pensions Committee helps the Pension Board to assist Hackney Council as the administering authority in ensuring the efficient and effective governance and administration of the Fund, in line with its statutory duties. Good governance of the Fund helps to ensure its long term financial health and that of its stakeholders, including the Council.
- 4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 The Pension Board has been established in accordance with the Public Service Pensions Act 2013 and the Local Government Pensions Scheme (Amendment) (Governance) Regulations 2014. The Board needs to consider the ongoing work of the Pensions Committee to ensure that it is meeting its statutory duties, which include assisting the Administering Authority in ensuring compliance with the regulations and ensuring the efficient and effective governance and administration of the Fund. Reviewing the work of the Pensions Committee on a regular basis therefore forms part of the ongoing work of the Pension Board.
- 5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 Whilst not a decision making body for the Pension Fund, the Board does have a broad remit to review the decision-making process of the Pensions Committee and in particular, matters relating to scheme administration and governance. Members have been provided with copies of the reports considered at Pensions Committee meetings held on the 23rd July 2018 and 12th September 2018. A link to the Committee papers is <http://mginternet.hackney.gov.uk/ieListMeetings.aspx?CId=499&Year=0> provided here:
- 6.2 Over the period from April to September 2018, the Pensions Committee have considered reports covering a wide range of issues including investments, asset pooling, pensions administration, and Fund governance and business planning. Where Pensions Committee work has specific relevance to the Pension Board and where the subject matter is such that it would be helpful to expand further for the Board to fulfil the role, these have become dedicated papers for the Board agenda. In other areas, it is worth highlighting either reports or elements of Committee reports that are of particular relevance to the Board.
- 6.3 The quarterly monitoring report provides both the Pensions Committee and the Board with an update on the key facts pertaining to the Pension Fund with updates provided on funding, investment performance, budget monitoring, corporate governance and engagement, pensions administration and reporting of breaches either to the Committee or where appropriate to the Pensions Regulator. Key to the role of the Board is ensuring that the Fund is being administered in accordance with the regulations and the quarterly report helps demonstrate that the Committee is taking all aspects of their role in managing the Pension Fund in to account and not just investment related issues. Of particular relevance to the Board is the quarterly reporting on administration performance and also the reporting of breaches sections.
- 6.4 Key items from the 23rd July meeting included a review of the Fund's recent equity restructuring project, an update to the Pension Fund's Business Plan and the introduction of a "Scheme Pays" Policy. The equity restructure review considered the process and outcome of the recent exercise to pool the majority of the Fund's equity portfolio, as well as the overall costs of transition and the key drivers behind them. Given the move towards asset pooling, the Fund is likely to undertake a number of transition projects over the medium term; reviewing the outcome of this large transition will help to inform future exercises.
- 6.5 The Fund's Business Plan is reviewed on an annual basis and provides a rolling 3 year overview of the Fund's planned activities. It helps ensure that the Committee is able to plan and understand the financial decisions that it will be faced with over the coming years. Planning is also consistent with good administration and helps ensure that the regulatory requirements of the Fund are met in a timely fashion. Over the next year, we intend to integrate the business planning and budgeting processes to provide a more accurate assessment of future costs, especially those associated with administration, oversight and governance.
- 6.6 The "Scheme Pays" Policy provides a discretionary option for scheme members who breach HMRC's annual allowance limit on pension savings growth in a financial year. Where a scheme member has an annual allowance tax charge of less than £2,000, the member may ask the Pension Fund to pay that charge on a voluntary basis via

the Voluntary Scheme Pays option with a corresponding reduction to their LGPS benefits. This would include those members adversely affected by HMRCs tapering rule. Use of the Policy is subject to the Administering Authority's approval. Whilst there is no statutory requirement for the Authority to agree to these requests, it is best practice to put robust governance arrangements in place to ensure that requests are dealt with in a fair and equitable manner and with regard to the best interests of the Fund's stakeholders. The Policy therefore sets out when Voluntary Scheme Pays might be requested and how those applications should be treated.

- 6.7 Other key items on the agenda included the Pension Fund Administration Annual Report, an update to the Administering Authority Discretions Policies and an update on the Governance Consultation for the London Collective Investment Vehicle (London CIV); these have all been included as separate items on the Pension Board agenda.
- 6.8 Items of note from the 12th September Committee included the 'Investment Strategy – Next Steps' and 'Alternative Credit – Options' papers. The 'Next Steps' paper asked the Committee to reaffirm the decision to reduce the Fund's equity allocation from 60% to 50% of assets and to use the proceeds to allocate to alternative credit. The 'Alternative Credit – Options' paper then considered the types of alternative credit strategy available to the Fund and asked the Committee to approve a review process to select a suitable strategy. An update on this work will be provided at the 12th December Pensions Committee meeting
- 6.9 The September 12th Committee meeting agenda also included the 2017-18 Annual Report and Accounts, which were approved for publication. The Pension Fund accounts received an unqualified audit opinion, whilst the Annual Report meets the requirements set out in the LGPS Regulations. The Report and Accounts will be available via the Fund's website prior to the publication deadline of 1st December 2018.
- 6.10 Included in the agenda for the 29th November Board meeting is the Pensions Regulator's Code of Compliance checklist, which was also reviewed by the Committee at the 12th September 2018 meeting. It is proposed that a summarised version of the checklist will be included in future governance reporting for the Committee; however, given the Pension Board's focus on administration and governance the full checklist will still be presented for review.

Ian Williams

Group Director, Finance and Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6012

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REPORT OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES		
The Pensions Regulator Code of Practice Compliance Checklist Pensions Board 29th November 2018	Classification PUBLIC	Enclosures One AGENDA ITEM NO.
	Ward(s) affected ALL	

1. INTRODUCTION

- 1.1 From 1st April 2015 the Pensions Regulator (TPR) assumed responsibility for public service pension schemes and put in place codes of practice for public service pension schemes covering a number of areas relating to the management of schemes. The Code of Practice for Public Service Pension Schemes came into force from 1st April and all schemes must now consider whether they comply with the Code.
- 1.2 This report covers an updated Compliance Checklist for the London Borough of Hackney Pension Fund.

2. RECOMMENDATIONS

- 2.1 The Pension Board is recommended to:
 - Note the Code of Compliance Checklist and where further work is required and being undertaken.

3. RELATED DECISIONS

- Pensions Committee 12th September 2018 – TPR Code Compliance Checklist
- Pensions Committee 27th June 2017 - Employer Data Audit
- Pensions Committee 24th January 2017 – Pension Fund Risk Register

4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

- 4.1 In recent years there has been much greater focus on the standard of governance within LGPS funds. This increased focus can be seen in The Pensions Regulator's (TPR) recently introduced powers of oversight, as well as in the introduction of local pension boards. TPR's Code of Practice no. 14, for public service pension schemes, is a useful guide to the standards of governance expected by the Regulator; measuring the Fund's compliance with it on a regular basis helps to ensure that good practice is understood and maintained.
- 4.2 A good standard of governance is crucial in minimising the key risks involved in managing the Pension Fund. Although the greater powers of oversight granted to TPR should ultimately benefit schemes through driving improvements in governance, ensuring compliance with the updated requirements results in additional work for officers and advisers of the Fund. Whilst delivering the requirements of the Code of

Practice and the related legal changes are therefore associated with increased costs, these are immaterial in comparison with the risks of failing to ensure that scheme governance is of a high standard and compliant with all necessary regulation and guidance.

- 4.3 The risks of non-compliance include both financial penalties issued by TPR, which can be considerable, and the longer term costs to the Council likely to ensue in the event of poor management of the Pension Fund, including a potentially increased employer contribution rate.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 The Public Service Pensions Act (2013) introduced a legal framework for the governance and administration of public service pension schemes and provided for extended regulatory oversight by TPR. The 2013 Act requires TPR to issue one or more Codes of Practice setting out the legal requirements in respect of the management of the schemes; the Regulator has discharged this duty by issuing the Code of Practice for Public Service Pension Schemes.
- 5.2 The Code of Practice is not a statement of the law and there is no penalty for failing to comply with it. However, any alternative approach to that appearing in the Code will need to meet the underlying legal requirements of the Public Service Pensions Act 2013 and a penalty may be imposed by the Regulator if those requirements are not met.
- 5.3 The Code of Practice contains practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to those legal requirements. It is therefore appropriate for both the Pensions Committee and the Pension Board to consider the Hackney Pension Fund's adherence to the Code of Practice at regular intervals.
- 5.4 There are no immediate legal implications arising from this report.

6. BACKGROUND TO THE REPORT

- 6.1 TPR finalised its 14th Code of Practice in January 2015 following a consultation with interested parties on the original draft and the Regulator's new powers under the Public Services Pensions Act 2013 (the 2013 Act).
- 6.2 Although following the code itself is not a regulatory requirement, should TPR identify a situation where the legal requirements are being breached, he will use the code as a core reference document when deciding appropriate action.
- 6.3 The matters covered by Code 14 are:
- knowledge and understanding for members of pension boards;
 - conflicts of interest;
 - publication of information about pension boards, governance and administration;
 - internal controls;
 - record-keeping;
 - late payment of employer and employee contributions;
 - information about member benefits and disclosure of information to members;
 - internal dispute resolution, and

- reporting breaches of the law.

- 6.4 Given the powers of oversight granted to TPR and the increased focus on the governance of public service pension schemes, it is appropriate to assess if the management of the London Borough of Hackney Pension Fund meets the requirements of the Public Service Pensions Act 2013 and the recommended ways of working outlined in TPR's Code of Practice. The Board were last provided with the completed checklist in October 2017, showing where the Fund was able to demonstrate Compliance with the Code.
- 6.5 The full updated checklist is attached for review by the Board. As can be seen in many areas, the Fund is generally able to demonstrate good levels of compliance with the Code and these are highlighted in green. This has improved from the previous update, largely due to the appointment of new members to the Pension Board. There are still a number of areas associated with the Pensions Board showing as yellow – in many cases these are areas associated with training, as the implementation of the training policy is currently under review by the Pensions Committee to improve the depth and breadth of training on offer. There are also other areas highlighted as yellow, where further work needs to be undertaken to reach full compliance.
- 6.6 There are 2 areas where the Fund is failing to meet the requirements of the Code, one of which relates to the issuance of Annual Benefits Statements to active scheme members. Statements to deferred members were produced and issued by the deadline of 31st August. However, only 627 statements to actives were issued by the deadline, with approximately 3,600 due to be sent in early November, leaving approximately 1,600 still to be issued. The primary cause of the breach was a failure by the Council, as the Fund's main employer, to submit an adequate year end return. The vast majority of active statements for other employers were sent out by the deadline. The issue has been highlighted in the quarterly update and a breach report will be submitted to tPR.
- 6.7 Whilst this is not an issue that is confined to the London Borough of Hackney, submitting good quality data to the Fund has been an ongoing and serious problem for the Council. The Council has changed its payroll supplier in 2017 which, whilst offering the prospect of improved reporting relative to the previous supplier, has resulted in significant medium term disruption to regular processes. Midland HR, the new supplier, has recognised that there have been difficulties in producing LGPS reporting, and is working constructively with the Council to develop its reporting capabilities. Equiniti, the Council's third party administrator, have made numerous changes to their own report specification during this period which has further delayed resolution of this issue.
- 6.8 The second issue related to monitoring of contributions – in this case, the incorrect ongoing payment of AVC contributions by an employer to Equiniti, resulting in those contributions not being invested in a timely fashion. Whilst only one member is known to have been affected, the significant time period over which the incident took place and the potential financial implications for the member if not addressed, means this issue will need to be reviewed and processes put in place to prevent recurrence.

Ian Williams
Group Director of Finance & Corporate Resources

List of appendices:

Appendix 1- The Pensions Regulator's Code of Practice – Compliance Checklist

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6012

The Pension Regulator’s and Scheme Advisory Board Compliance Checklist

Date of Completion: 11/11/2018

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Introduction

This document outlines how Hackney Council complies with the Pensions Regulator’s (TPR) Code of Practice No 14 Governance and administration of public service pension schemes (‘the TPR Code’) in relation to the management of the London Borough of Hackney Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pensions Committee and Pension Board (generally in June/July each year).

This document highlights all the key elements of the TPR Code and then evidences whether Hackney Council meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether the Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, Hackney Council may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards “Guidance on the creation and operation of Local Pension Boards in England and Wales”.

Key
Frequency of review and last review date: Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as “ongoing (annual check)”.

Completed:	Compliant:	Where responsibility relates to employers:
Fully completed	Fully compliant	Employers - Fully compliant
In progress	Partially compliant	Employers - Partially compliant
Not started	Non-compliant	Employers - Non-compliant
Not yet relevant	Net yet relevant	Not yet relevant

Definitions:	
PSPA13	Public Service Pensions Act 2013
LGPS	Local Government Pension Scheme
TPR	The Pensions Regulator
TPR Code	The Pensions Regulator’s Code of Practice No 14 Governance and administration of public service pension schemes
Scheme Manager	For the London Borough of Hackney Pension Fund, this is Hackney Council.
Administering Authority	The LGPS specific term for Scheme Manager. For the London Borough of Hackney Pension Fund, this is Hackney Council.
IDRP	Internal Dispute Resolution Procedure
SAB	The national LGPS Scheme Advisory Board
PC	Pensions Committee
PB	Pension Board

Summary Dashboard

A dashboard showing the summary of the results of the latest compliance checklist is shown below:

No.	Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Fully compliant
A4	Fully completed	Fully compliant
Knowledge and Understanding		
B1	Fully completed	Fully compliant
B2	Fully completed	Fully compliant
B3	Fully completed	Partially compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Fully compliant
B7	Fully completed	Fully compliant
B8	Fully completed	Partially compliant
B9	Fully completed	Partially compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Partially compliant
B12	Fully completed	Partially compliant
Conflicts of Interest		
C1	Fully completed	Fully compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Partially compliant
C4	Fully completed	Fully compliant
C5	In progress	Partially compliant
C6	Fully completed	Fully compliant
C7	Fully completed	Fully compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Fully compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Partially compliant
D2	Fully completed	Partially compliant
D3	Fully completed	Partially compliant
D4	Fully completed	Fully compliant

No.	Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Fully compliant
E2	Fully completed	Fully compliant
E3	Fully completed	Fully compliant
E4	Fully completed	Fully compliant
E5	Fully completed	Fully compliant
E6	Fully completed	Fully compliant
E7	Fully completed	Fully compliant
E8	Fully completed	Fully compliant
Maintaining Accurate Member Data		
F1	Fully completed	Partially compliant
F2	Fully completed	Fully compliant
F3	Fully completed	Fully compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Fully compliant
F8	Fully completed	Partially compliant
F9	Fully completed	Partially compliant
F10	Fully completed	Partially compliant
F11	Fully completed	Fully compliant
Maintaining Contributions		
G1	Fully completed	Fully compliant
G2	Fully completed	Fully compliant
G3	Fully completed	Non-compliant
G4	Fully completed	Fully compliant
G5	Fully completed	Fully compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Employers - Partially compliant
G8	Fully completed	Fully compliant
G9	Fully completed	Fully compliant
Providing Information to Members and Others		
H1	Fully completed	Employers - Non-compliant
H2	Fully completed	Fully compliant
H3	Fully completed	Fully compliant
H4	Fully completed	Partially compliant
H5	Fully completed	Fully compliant
H6	Fully completed	Fully compliant

No.	Completed	Compliant
H7	Fully completed	Employers - Fully compliant
H8	Fully completed	Partially compliant
H9	Fully completed	Fully compliant
H10	Fully completed	Fully compliant
H11	Fully completed	Partially compliant
H12	Fully completed	Fully compliant
H13	Fully completed	Fully compliant
Internal Dispute Resolution		
I1	Fully completed	Fully compliant
I2	Fully completed	Fully compliant
I3	Fully completed	Fully compliant
I4	Fully completed	Partially compliant
I5	Fully completed	Fully compliant
I6	Fully completed	Partially compliant
I7	Fully completed	Fully compliant
I8	Fully completed	Fully compliant
I9	Fully completed	Fully compliant
Reporting Breaches		
J1	Fully completed	Fully compliant
J2	Fully completed	Fully compliant
J3	Fully completed	Partially compliant
Scheme Advisory Board Requirements		
K1	Fully completed	Fully compliant
K2	Fully completed	Fully compliant
K3	Fully completed	Fully compliant
K4	Fully completed	Fully compliant
K5	Fully completed	Fully compliant
K6	Fully completed	Fully compliant
K7	Fully completed	Partially compliant
K8	Fully completed	Fully compliant
K9	Fully completed	Fully compliant
K10	Fully completed	Fully compliant
K11	Fully completed	Fully compliant
K12	Fully completed	Partially compliant
K13	Fully completed	Fully compliant
K14	Fully completed	Fully compliant
K15	Fully completed	Fully compliant

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. In addition, all schemes must provide a regular scheme return to TPR, containing prescribed information. A return is required when the scheme receives a scheme return notice from the regulator. The scheme manager must also keep the regulator informed of any changes to registrable scheme details.

Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	New registration will only be required if a new LGPS is created that is deemed to be a separate scheme Check annually to see if new registration is required	Annual (Jul)	31/10/2018	Fully completed	Fully compliant		
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	Update as employers join or leave the scheme and check annually for overall accuracy.	Ongoing (annual check)	02/11/2018	Fully completed	Fully compliant	Last scheme return submitted to TPR 02/11/2018 TPR up-to-date with employer details & Pension Board member details (Nov 18)	

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
A3	Have you completed this latest Scheme Return in the required timescale?	TPR return to be submitted as and when needed	As and when received	02/11/2018	Fully completed	Fully compliant	<p>Last scheme return submitted to TPR 02/11/2018</p> <p>TPR up-to-date with employer details & Pension Board member details (Nov 18)</p>	
A4	Have you responded to the latest TPR public service pension scheme survey /questionnaire?	Intention is to respond to any such survey that is received, including on a voluntary basis.	As and when received.	31/10/2018	Fully completed	Fully compliant	<p>Last survey received and completed November 2017</p> <p>Notice of 2018 survey received October 2018, with survey to be sent out during November.</p>	Complete survey once received - No/Dec 2018.

B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	Pension Fund Training Policy with appropriate objectives and measurements in place.	Annual (Jun)	31/10/2018	Fully completed	Fully compliant	Adopted by Pension Board at its first meeting in July 2015. Training Policy reviewed Sept 2018	
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	In training policy. Responsibility delegated to the Group Director of Finance and Corporate Resources.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	Dedicated induction training will be provided based on CIPFA requirements and TPR Toolkit also incorporated – final details to be determined. Also all new members will be provided with key documents as per Training Policy Ongoing PB members will be required to go to the training for Pension Committee in addition to carrying out additional ad - hoc training as other needs arise. Annual self -assessment will be completed through the effectiveness survey.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	Training needs analysis part of agenda for Nov 2018	Work to ensure full induction processes in place by end 2018 e.g. full induction pack and arrangements should new members join the Board.
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	Including in the PB Terms of Reference.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	Articulated in Training Policy and part of Induction Training. All members to be provided with copy of Training Policy as part of induction pack and reminded of Policy on an annual basis.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant	3 new board members made aware when recruited [completed during application process] 1st meeting with all 3 new members on 20th March 2017 - Discussed legal responsibilities	Legal responsibilities to be reviewed annually
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	Will be part of induction training including welcome pack with key documents included. Ongoing training part of normal Committee business (which PB members be given access to).	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	Induction list in Training Policy	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
B8	Are all pension board members investing sufficient time in their learning and development?	Training plans are agreed each June as part of the PC business plan. Monitoring of attendance at training is undertaken in accordance with Training Policy and recorded annually in governance update in annual report and accounts.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	Dedicated Pension Board training is provided at each meeting. However, more detail of training needs required to understand individual requirements, which will vary across the Board.	Review responses from Training Needs Analysis in early 2019 and customise training plans appropriately

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	Induction process in Training Policy including providing all with copies of key documents.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	Provision of full induction training for new pension board members can be challenging depending on time of year/availability of courses.	- Training to be set up for PC, PB and senior staff. This will be induction training for new members and refresher training for existing members. -Needs to take into account the outcome of the Training Needs Analysis
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	There is a Training Plan (annual) which is focussed at whole PC/PB level. Annual self-assessment already carried out for PC members and will be extended to PB going forward.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	A new training needs analysis checklist is now in place and included on the agenda for Nov 2018. Members are asked to complete the analysis for Jan 2019.	Discuss Training Needs Analysis as part of Nov 2018 meeting - issue questionnaire and await responses.
B11	Are records of learning activities being maintained?	This is included in the annual report and accounts at whole PC/PB level.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	A model has now been developed to capture this information at individual level. The Nov 2018 agenda includes a training needs analysis to capture training requirements on an individual level.	Populate model with records of training activities to date.
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	It is the intention that all PB and PC members complete the ToolKit	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	Pensions Board appointed and provided with information on TPR Toolkit. First Board meeting included breaches and conflict module.	Follow up to ensure TPR Toolkit has been completed by all Members

C - Conflicts of interest

Legal Requirements

The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest.

In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:

- that a person to be appointed as a member of the pension board does not have a conflict of interest and
- from time to time, that none of the members of the pension board has a conflict of interest.

Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	Pension Fund Conflict Policy with appropriate objectives and measurements in place which includes procedures to identify, monitor and manage potential conflicts of interest. Conflicts of interest register records conflicts of interest declared by PB & PC members	Annual (Jan)	31/10/2018	Fully completed	Fully compliant	Adopted by Pensions Board at first meeting	
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?	PC & PB members must complete a declaration which requires them to sign that they understand the requirements. Declarations must be completed by all PB members and reaffirmed annually. In addition, opportunity for new declarations is provided at the start of each meeting. Training on conflicts planned for first PB meeting and they will adopt the conflicts policy at first PB meeting	Annual (Sep)	31/10/2018	Fully completed	Fully compliant	2018 Conflicts of Interest returns submitted by PB Jan 2018. 2018/19 returns submitted by Committee July 2018.	Distribute returns for completion by PB at Nov 2018 meeting.
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)?	Policy requires each PC & PB member to complete a declaration on appointment and annually. The Head of PF Investments will ensure that all are received and collated within six weeks of the first meeting. The register is reviewed annual to ensure conflicts are being registered at the earliest opportunity.	Annual (Sep)	31/10/2018	Fully completed	Partially compliant	All Pensions Board declarations complete Jan 2018 Committee declarations distributed July 2018. 4/6 complete	Follow-up missing Committee declarations. Give consideration to aligning completion dates for Committee & Board e.g. both in March?
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	The Policy and procedures and the declarations require PB members to highlight potential, as well as actual, conflicts. The procedure requires declaration at interview, annually and at each meeting (if not already declared). The Head of PF Investments has responsibility for ensuring the procedure is followed.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Potential conflicts of interest have been highlighted by members of the Pensions Board - none have yet become actual conflicts	
C5	Is the conflicts policy regularly reviewed?	Every three years or earlier if considered appropriate	Triennially	31/10/2018	In progress	Partially compliant	Conflicts of Interest Policy last reviewed in 2015 - now due for review (every 3 years)	Conflicts of Interest Policy to be reviewed March 2019

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	<p>There is a register of interests which is updated on an ongoing basis based on information in individual declarations and provided to the Chair prior to each meeting.</p> <p>The information is incorporated in annual report and accounts and available on request.</p> <p>All declarations made at meetings will be recorded in the minutes which are public.</p> <p>Refer to policy – regularly reviewed (annual basis etc).</p>	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Published annually in accounts but consider inclusion on website.	Review for inclusion on new website Q1 2019.
C7	Is appropriate information included in the register?	<p>Register of interests updated on an ongoing basis but this will be reviewed annually to ensure it is being used correctly.</p> <p>Register includes all this information and is included as an appendix to the Conflicts policy.</p>	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
C8	Is there a standing item on the agenda for declaring conflicts of interest?	Part of standard PC meeting agenda and intention to be part of PB meeting agenda too.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Declarations are part of standard agenda for PB	
C9	Do those involved know how to report a conflict of interest?	Members trained on appointment and provided with copy of Conflicts Policy annually. Also Policy referred to at start of each meeting	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Pension Board provided with background on Conflicts Policy and referred to in meetings	
C10	Is the number of employer and member representatives on the board in line with legal requirements?	Outlined in the terms of reference.	Ongoing (annual check - Sep)	31/10/2018	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	<p>To be completed as part of appointment process and then reviewed annually to ensure this continues.</p> <p>Appointment Process completed including appointments panel interview to assess capacity of individuals to fulfil role as Pension Board Member.</p>	Ongoing (annual check - Sep)	31/10/2018	Fully completed	Fully compliant	<p>Pension Board members were required to submit statement outlining skills appropriate to their role on the Board.</p> <p>Interviews were conducted to select most suitable Board Members</p>	

D - Publishing information about schemes

Legal Requirements

The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.

The information must include:

- who the members of the pension board are
- representation on the board of members of the scheme(s), and
- the matters falling within the pension board's responsibility

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
D1	Does the Administering Authority publish information about the pension board?	See - http://hackney.xpmemberservices.com/Scheme/Pensions-Board.aspx	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Partially compliant	Names of Pension Board members are published, but website information re: the roles of the Board and Committee needs updating. Full review of website is underway with new site to go online Q4 2018/Q1 2019	Continue website review work prior to go live
D2	Does the Administering Authority publish other useful related information about the pension board?	See - http://hackney.xpmemberservices.com/Scheme/Pensions-Board.aspx Already has appointment process, terms of reference and roles and responsibilities.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Partially compliant	Detail of Pension Board members are published, but website information re: the roles of the Board and Committee needs updating. Full review of website is underway with new site to go online Q4 2018/Q1 2019	Ensure relevant information included as part of Governance page of new website
D3	Is all the information about the Pension Board kept up-to-date?	Information regularly checked.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Partially compliant	See above - information being updated as part full website review	Ensure relevant information included as part of Governance page of new website
D4	Does the Administering Authority public information about pension board business?	All pension board meetings are public meetings and information will be contained on the Hackney Council website.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Pension Board Agenda and papers are published on Council website	

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate internal controls which adequately ensure the scheme is administered and managed in accordance with the scheme rules and the requirements of the law.

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
E1	Is there an agreed process for identifying and recording scheme risks?	A risk management policy is in place that outlines the procedure for identifying, managing and recording risk. It covers all the key areas identified by the TPR Code.	Annual	31/10/2018	Fully completed	Fully compliant	Risk management policy agreed in 2015; policy is updated every 3 years - due for update at December 2018 Pensions Committee	Review Risk Management Policy at December 2018 Pensions Committee
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	The risk management process includes how risks are to be evaluated and internal controls established. It makes use of a RAG status based on impact and likelihood and the associated control is then shown as part of the risk register. The risk management policy also lists the key internal controls.	Annual	31/10/2018	Fully completed	Fully compliant		
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	Risk register is in place which includes all internal controls and action taken. Risk Register last reviewed at Pensions Committee meeting in January 2017.	Annual	31/10/2018	Fully completed	Fully compliant	Format and content of risk register currently being updated for Dec 2018 Pensions Committee	Updates to be reviewed at Dec 2018 Pensions Committee
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	Our risk management and internal controls are continually reviewed for effectiveness as part of a number of processes including: - The ongoing updating of the risk register which includes the control of those risks - Issues identified through regular monitoring reports such as performance monitoring for PC, IDRP updates, monthly reports from Equiniti and breaches notifications. - The triennial (at least) review of the risk management policy which includes a list of the key controls - Regular internal and external audit reports. - Annual internal control reports from Equiniti, custodian and fund managers. - Annual update of TPR Code compliance checklist. - Periodic ad-hoc reviews (e.g. LGPS2014 audit).	Annual	31/10/2018	Fully completed	Fully compliant		
E5	Does the Administering Authority regularly review the risk register?	Risk management is ongoing and therefore the register can be updated as a result of risk identification through a number of means including: - annual review at pensions committee - performance measurement against agreed objectives - monitoring against the Fund's business plan - findings of internal and external audit and other adviser reports - feedback from the local Pension Board, employers and other stakeholders - informal meetings of senior officers or other staff involved in the management of the Fund - liaison with other organisations, regional and national associations, professional groups, etc.	Annual	31/10/2018	Fully completed	Fully compliant	Format and content of risk register currently being updated for Dec 2018 Pensions Committee. Last reviewed in Dec 2017	Updates to be reviewed at Dec 2018 Pensions Committee

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	It is a standing item on the Pensions Committee each January and, as a matter of course, is then shared with the Pension Board.	Annual	31/10/2018	Fully completed	Fully compliant	Risks reviewed annually - next review due March 2019	Complete updates ahead of review by Committee/Board (Dec 2018 - Mar 2019)
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	It is considered that there are adequate internal controls in place. These are articulated in the risk register and many of the key ones outlined in the appendix to the Risk Management Policy.	Annual	31/10/2018	Fully completed	Fully compliant		
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	The key outsourced services for this purpose are Equiniti (third party administration), HSBC (custodian) and Fund managers. These providers are required to provide annual internal control reports and a control sheet is used to ensure they are received and reviewed.	Annual	31/10/2018	Fully completed	Fully compliant		

F - Maintaining accurate member data

Legal Requirements

Scheme managers must keep records of information relating to:

- member information
- transactions, and
- pension board meetings and decisions.

The legal requirements are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations').

The Data Protection Act 1998 and the data protection principles set out additional requirements for using, holding and handling personal information. Other requirements are set out in the:

- Pensions Act 1995 and 2004
- Pensions Act 2008 and the Employers' Duties (Registration and Compliance) Regulations 2010
- Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715)
- Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (SR 1997 No 94)
- Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567)

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?	<p>Scheme member records are maintained by Equiniti our third party administrators. Therefore much of the information here and in later questions relates to the records they hold on Hackney's behalf. However, as the scheme manager, Hackney is required to be satisfied the regulations are being adhered to.</p> <p>Checks were carried out in relation to each of the requirements in the Record Keeping Regulations and all were considered compliant except for in relation to clause 4(3) which relates to information for members who pay AVCs. This is held and maintained by Prudential with an annual update provided to Hackney Council/Equiniti. Hackney are currently investigating gaining access to view these AVC records.</p> <p>Data accuracy and completeness reports are also received via the triennial valuation, which cover some of these elements. In the autumn of 2015, Aon Hewitt carried out a audit of employer provided data. It highlighted a number of issues with the quality of data being provided by employers.</p> <p>Going forward Equiniti will providing an annual statement confirming they are adhering to this requirement on the accuracy and completeness of the data.</p>	Annual	31/10/2018	Fully completed	Partially compliant	<p>The member records held by Equiniti on behalf of the Hackney Pension Fund do not fully meet the requirements set out in the Record Keeping Regulations. The information provided by the Fund's main employer (Hackney Council) is not currently sufficient to allow records to be updated quickly and accurately. A full review of data provision and maintenance is now underway.</p> <p>The Triennial valuation 2016-17 is complete</p> <p>Access to AVC information has been partially gained as the Pru now provide monthly listings of new AVC contracts and any amendments to existing contracts.</p>	<p>Ongoing work on interface development project to improve processes at both Hackney Council and Equiniti</p> <p>An updated data improvement plan will be issued in early 2019</p>

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	The Fund's Pension Administration Strategy includes a list of all employer responsibilities and duties including timescales. Employer performance is measured against the PAS with appropriate action taken to ensure compliance.	Annual	31/10/2018	Fully completed	Fully compliant	PAS due for review by Pensions Committee Dec 2018.	
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	<p>All info on scheme records and also on the client cash manager (Lloyds pension fund bank account with Equiniti) that then flows across to the Hackney PF account and all feeds into annual report and accounts. This includes all write offs. There are also some spreadsheets that are used for further checks (e.g. transfers in, overpayments).</p> <p>There is reconciliation between actual and expected costs with a quarterly update against budget in PC papers.</p>	Annual	31/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	Full minutes are maintained and published on the Hackney Council website. Annual check to ensure this continues to be the case.	Annual	31/10/2018	Fully completed	Fully compliant		
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	We do not expect there to be decisions outside of the PB. The secretary (R Cowburn) will monitor the situation.	Annual	31/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F6	Are records retained for as long as they are needed?	Hackney consider it necessary to retain records for long as is possible due to the number of enquiries from employees relating to periods many decades ago. Accordingly personal records are maintained in addition to other data such as contribution lists, spreadsheets of old cases and pensions increases reports.	Annual	31/10/2018	Fully completed	Fully compliant	Fully compliant as appropriate systems are in place. Discussions are in progress about the retention of data as the Council transitions payroll system	
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	There are a number of separate processes in place to monitor data on an ongoing basis (generally carried out by Equiniti) including: - Monthly HK221 spreadsheets to check against changes received from employers - Year-end annual returns provide a further opportunity to highlight any data discrepancies - All data entry is checked for input accuracy - Various tolerance checks such as changes in pay - Processes if pensioner payslips are returned (including suspension of pension on second return), using only BACs payments for pensioners and life certificate exercises (overseas and over a certain age annually and then all cases every 2 or 3 years) and national fraud initiative every 2 years. - Triennial valuation highlights data issues. Process exists for warning and charging levies to employers if incomplete monthly data is provided or if provided late - Checks on 'common' data (ad-hoc)	Annual	31/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F8	Does the Administering Authority carry out a data review at least annually?	Annual year end reconciliations as described above plus for annual report and accounts, pensions increases and benefit statements. Equiniti carry out a common data and intend to commence a conditional data review.	Annual	31/10/2018	Fully completed	Partially compliant	Both common and scheme specific data reporting carried out for 2018 Scheme Return. Awaiting full scheme specific data report from Equiniti.	Equiniti to provide LBH with a written report on the conditional data analysis
F9	Is a data improvement plan in place which is being monitored with a defined end date?	Monthly meeting held between Equiniti and Hackney where some elements of improvement are discussed and actions/timescales agreed. However, a clear statement of all improvement areas with a plan is not currently in place. Employers are charged an administration fee where they fail to meet standards.	Annual	31/10/2018	Fully completed	Partially compliant	Formal data improvement plan being developed - to be in place Q4 2018/Q1 2019	Complete review of Data Improvement Plan

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F10	Are processes and policies in place to reconcile scheme data with employer data?	Monthly and year end spreadsheets assist with reconciling data.	Annual	31/10/2018	Fully completed	Partially compliant	<p>There are ongoing issues with employers not providing monthly or year-end spreadsheets. Year-end monitoring is captured by Equiniti on a spreadsheet including what action has been taken and whether escalated to the Fund.</p> <p>Year-end returns were received from the majority of employers to verify the information, and queries responded to, with the exception of the Hackney Council (as an employer in the Fund).</p>	Ongoing work with employers to ensure data is received in accordance with requirements, including a long-term project to improve the quality of data submitted by Hackney Council.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles?	<p>Ensure all those involved with data understand the DPA:</p> <ul style="list-style-type: none"> - Equiniti get annual training - Hackney staff periodic training but some staff have not received yet received training - DPA officer at both Equiniti and Hackney - Council data protection policy in place and guidance on intranet <p>Evidence of processes includes:</p> <ul style="list-style-type: none"> - Share file is used for data transfer with all employers, Equiniti and Hackney - Focalpoint used for data transfer with actuary - Actuary – use focalpoint. - Otherwise any sensitive e-mails are generally encrypted unless scheme member insists otherwise. 	Annual	31/10/2018	Fully completed	Fully compliant	New GDPR (Data Protection Reform) will have direct effect in May 2018 despite Brexit. LGPS Funds need to demonstrate in a meaningful way that both the overall governance structure for data protection compliance and the Processes updated for GDPR	DPA training to be arranged for all Hackney pension team staff members, including ensuring all understand the process if a breach occurs.

G - Maintaining contributions

Legal requirements

Contributions must be paid as detailed below, and where not done, they should be reported to TPR in circumstances where the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to TPR in the exercise of any of its functions. Reporting must be carried out as detailed below.

Contribution Type	Contributions must be paid	When a failure should be reported
Employer	On or before the due date as defined by the scheme regulations	To The Regulator: As soon as reasonably practicable
Employee	Paid within the prescribed period (19 th day of the month, or 22 nd day if paid electronically) or earlier date if required by the scheme regulations	Regulator: Within a reasonable period – 10 working days

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
G1	Does the Fund have procedures and processes in place to identify payment failures?	There is a master spreadsheet where all contributions received are entered and monitored by Equiniti. All payments are made by electronic transfer to reduce risk of payment failure. Hackney Council and Equiniti hold monthly meetings to determine how to deal with any issues arising.	Annual	31/10/2018	Fully completed	Fully compliant	There has been an improvement in monitoring contributions by sample testing the data in supporting documents.	Further communication with employers to submit supporting documents in specified format.
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	The spreadsheet highlights where a payment is not received by 19th each month. It also highlights if contributions could be incorrect by comparing salary vs contribution rate to give employee and employer rates. The HK221 detailed information (per employee) is used to cross check the amounts that are coming through correctly to the gross totals. Interest is automatically charged for late contributions in accordance with LGPS regulations and discretionary policy. Details of the charges applied and the interest are provided in the administration strategy.	Annual	31/10/2018	Fully completed	Fully compliant	There is a robust monitoring process in place and the capability to receive interest on late contributions in the PAS. The PAS could be more strictly enforced	New charges within the PAS to be enforced on employers submitting poor data or late payments
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	The process includes reconciliation with the payment received and shown in the financial system. New process to be set up in relation to reconciling AVC payments with contributions record.	Annual	31/10/2018	Fully completed	Non-compliant	Marked as non-compliant in relation to a significant issue reconciling AVC contributions incorrectly paid to Equiniti, resulting in contribution not being properly invested with Prudential. Only one known member affected but failure occurred over a significant time period and could have had significant financial consequences for the member if not detected.	Ongoing contribution reconciliations needs to be explored so that each members contributions are rec'd each month. Prudential's processes need to be explored as LBH are not 100% confident all notifications are coming through.
G4	Are these procedures regularly reviewed to ensure they are effective?	Payments are generally always on time. Monthly meeting between Equiniti and Hackney consider any late cases. Within Equiniti, the finance team meet every Monday to discuss what is expected, what is coming up, timetables, including highlighting any late payments and escalating to service review meetings.	Annual	31/10/2018	Fully completed	Fully compliant		Ongoing contribution reconciliations need to be explored so that each members contributions are rec'd each month. Prudential's processes need to be explored as LBH are not 100% confidence all notifications are coming through.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	For main scheme contributions, monitoring spreadsheet maintained by Equiniti and separately by Hackney Council. Identification and escalation process, however, needs to be formalised. Prudential automatically notify the scheme manager if any AVC payments are received late from employers (very few – only 4 or 5 in last 10 years).	Annual	31/10/2018	Fully completed	Fully compliant		
G6	Does the Fund maintain a record of any investigations and communications with employers?	Information is collated in individual records relating to each employer. A summary of late payments is included in annual report and accounts (although employers are not specifically named). Information is also available on the historic monitoring spreadsheets. Equiniti system Compendia stores email and letter communications with employers	Annual	31/10/2018	Fully completed	Fully compliant		
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	There is monitoring of the format that employers provide information and this is being checked against the PAS. Training is provided to employers but where information is not of sufficient quality employers may be charged or extreme cases reported to the pensions regulator	Annual	31/10/2018	Fully completed	Employers - Partially compliant	There are ongoing issues with employers not providing sufficient information on spreadsheets. This is all captured on the Equiniti spreadsheet including what action has been taken and whether escalated to the Council. Year-end returns were received from the majority of employers to verify the information, and queries responded to, to enable reconciliation of member contributions with service.	Ongoing work with employers to ensure data is received in accordance with requirements, including a long-term project to improve the quality of data submitted by the Council.
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?	Existing spreadsheets in place identify late payments, the PAS sets out processes in regards to late payments and the use of reporting breaches is available if required to report to the regulator.	Annual	31/10/2018	Fully completed	Fully compliant		
G9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?	Yes, for main scheme (administered by Equiniti), spreadsheet maintained and shared monthly with Hackney Council and discussed as part of monthly service review meeting. Contribution monitoring is a requirement of service provision by Equiniti. In relation to AVCs (administered by Prudential), all late payments are notified directly to Hackney Council.	Annual	31/10/2018	Fully completed	Fully compliant		

H - Providing information to members and others

Legal requirements

The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
H1	Has an annual benefit statement been provided to all active members within the required timescales?	Sent annually by Equiniti following receipt of year end data returns from employers due each April. Process commences in February with reminders to Employers.	Annual	31/10/2018	Fully completed	Employers - Non-compliant	Delay in issuing 2017-18 statements was due to the main employer Hackney Council's payroll information not being submitted within the specified timeframes. Breach reported to the Pensions Regulator. All active members of other employers in the Fund received their ABS within the regulatory timeframe.	Ongoing work with Hackney Council to improve data. A new payroll interface is currently in test - once live, a full data cleanse will need to be carried out on Compendia Monitor issuing of remaining active statements.
H2	Do these meet the legal requirements in relation to format?	A compliance review spreadsheet has been set up to monitor all areas under the legislation, which is being reviewed against the new ABS template	Annual	31/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	Benefit statements are issued automatically to all active and deferred members annually, which is more proactive than this provision (which just relates to issuing them on request). Pension credit statements issued within 10 working days. It is monitored that they meet the 10 working day deadline on Equiniti workflow system Pulse.	Annual	31/10/2018	Fully completed	Fully compliant		
H4	Does this meet the legal requirements in relation to format?	The information in the pension credit members benefit statements does not fully comply with the disclosure requirements for information to be provided on request. However, it is possible information provided on individual requests is more compliant but this needs further investigated.	Annual	31/10/2018	Fully completed	Partially compliant	Ensure pension credit statements are fully compliant by next years due date - 31 August 2019	Further investigation and discussion required to change format of statements to adhere to Disclosure Requirements
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	The Prudential send annual AVC statements to all AVC members by post	Annual	31/10/2018	Fully completed	Fully compliant		
H6	Do these meet the legal requirements in relation to format?	Statement provided by Prudential checked against requirements and all appropriate information is included.	Annual	31/10/2018	Fully completed	Fully compliant		
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	New starter information is issued by Equiniti. This is done by issuing a notification of joining with a nomination form, transfer form and a link to the LGPS website. Equiniti aim to provide this information within 10 working days of being notified of joiners by employers (which is the official SLA as part of their contract). However, because the SLA relates to when notified, it does not necessarily mean the legal timescale has been met which is within 2 months of joining the scheme. Equiniti often identify cases from contribution spreadsheets and auto-enrolment reports to chase outstanding information from employers with a review to improving this process. Equiniti will also send out the new starter information to members once picked up from the contribution spreadsheets even if they have not yet received a starter form from the employer. From October 2016 the LBH pension team use a monitoring spreadsheet to track all new starters to ensure that the starter forms are going across within the set timescales and that Equiniti have actioned new starter information.	Annual	31/10/2018	Fully completed	Employers - Fully compliant		There is ongoing work to improve transfer of information from employers to Equiniti, including developing interfaces and charging administration cost for late notifications.
H8	Does this meet the legal requirements in relation to format?	A check against the requirements has been carried out. In the main the new joiner information is compliant but some areas are excluded or not as explicit as they might be, for example, in relation to the lack of charges for scheme members, what happens when a member leaves and the fact the scheme is registered by HMRC.	Annual	31/10/2018	Fully completed	Partially compliant		The joiner information is to be reviewed as part of the quality compliance review which is due to take place under the new administration contract. New members also need to be guided to the LBH Pension website once the improvements have been made to ensure all information is up to date and compliant.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
H9	Is all other information provided in accordance with the legal timescales?	Equiniti are asked to provide an annual statement confirming that they have met these requirements in relation to the main scheme for the previous financial year. Prudential (the AVC provider) are asked to provide an annual statement confirming they have met the requirements in relation to lifestyling. All standard communications to members from Hackney Council and Equiniti provide the postal contact details and the pensions@hackney.gov.uk email address.	Annual	31/10/2018	Fully completed	Fully compliant	Equiniti have confirmed that Compendia automatically highlights the disclosure dates/requirements. The monthly Equiniti reports now have a statement saying they have not breached disclosure requirements, or if they have what. The Pru have confirmed that these requirements have been met for 2016-17 and that they inform members on an annual basis whether they are in the growth or accumulation phase of lifestyle via their annual benefit statment	Although compliant the disclosure reporting on the monthly report could be improved and this will be looked at.
H10	Is all other information provided in the format and methods required by law?	Equiniti are asked to provide an annual statement confirming that they have met these requirements for the main scheme in relation to the previous financial year. Prudential (the AVC provider) are asked to provide an annual statement confirming they have met the requirements in relation to lifestyling.	Annual	31/10/2018	Fully completed	Fully compliant	Equiniti have confirmed that Compendia automatically highlights the disclosure dates/requirements. The monthly Equiniti report now has a statement saying they have not breached disclosure requirements, and provides details if they do and why. The Pru have confirmed that the requirements are met and that they inform members of their website & on-line self-service facility	Although compliant the disclosure reporting on the monthly report could be improved and this will be looked at.
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	Everything is hard copy (including info leaflets such as Freedom changes) except the basic scheme information which must be provided for new starters. In these circumstances a hard copy statutory notice is provided directing them to the information on the website.	Annual	31/10/2018	Fully completed	Partially compliant	The new starter notification contains an out of date website address and therefore this has been marked at this review as partially compliant. Also the funds website is currently being updated to verify that all information is current and compliant.	The new starter notice needs to be changed so that an up to date website address is given. The website is being updated to ensure fully up to date
H12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?	Objectives are included in the Communications Strategy that focus on these requirements. Currently only feedback is in relation to a survey from induction presentations. Employees found that presentation informative & engaging and now have a better understanding of being in the scheme.	Annual	31/10/2018	Fully completed	Fully compliant	Equiniti now issue hard copy member surveys to those who have had interaction with the administration team in Crawley.	Equiniti are planning further surveys with scheme members to gather more detailed feedback as part of their engagement strategy.
H13	Does the Administering Authority use a tracing service?	New administration contract with Equiniti states that they shall carry out regular exercises, at timescales to be agreed with the Contracting Authority but at least annually for pensioner members and triennially for deferred members, to try to trace any members where no current address is known using recognised search services as required.	Annual	31/10/2018	Fully completed	Fully compliant		Tracing exercises will be carried out on a periodic basis

I - Internal Dispute Resolution

Legal requirements

The Pensions Act 1995 requires scheme managers to set up and implement an Internal Dispute Resolution Procedure (IDRP) to help resolve disputes between the scheme manager and people with an interest in the scheme.

The act states that a person has an interest in the scheme if they:

- are a member or beneficiary
- are a prospective member
- have ceased to be a member, beneficiary or prospective member
- claim to be any of the above and the dispute relates to this claim.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

The procedure may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. This decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters. However, legislation provides flexibility for scheme managers to decide the details of these.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
I1	Has the Administering Authority put in place an internal dispute resolution procedure?	An IDRP procedure is in place with leaflets available setting out the process	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant	A booklet and form are available from Equiniti, or the Administering Authority, that sets out the procedure	Make booklet & form available on the new pension website when launched
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	An IDRP procedure is in place with leaflets available setting out the process	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
I3	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?	Member leaflet outlining IDRP procedure includes this information.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Where the employer has not responded with their own Stage 1 Adjudicator, Equiniti undertake the role. This is communicated regularly including: - mentioned at employer forum - PAS sent to employers which sets out need for Stage 1 Adjudicator to be included in their discretions policy.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	We have not been notified that any employers carry out their own process. Accordingly Equiniti act as stage 1 by default.	New IDRP guide has been finalised & a reminder will be sent to Employers again to nominate a Stage 1 Adjudicator
I5	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	Acknowledgements issued within 2 days and responses are sent within 2 month deadline (albeit usually within 6 weeks due to SLA). This will be checked annually for both stages 1 and 2.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
16	Does the Administering Authority notify and advertise the procedure appropriately?	A new IDRP booklet produced 2018 - available hard copy or by email - to be included on the website (which is where joining information also is). Not all notification of benefit letters currently includes this	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Partially compliant	IDRP booklet for members is available hard copy or by email - will be included on new website when launched. IDRP process & information is included in the Employers' Guide to the scheme, which details their role in the administration of the scheme & data requirements	To check appropriate reference to IRDP is included in letters to members where appropriate
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	Details of the role of TPAS & Pension Ombudsman are included in the IDRP booklet along with contact details and website addresses	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	Information included in Pension Committee quarterly reporting. More formal review of the arrangements on an annual basis as part of the annual administration report	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	We have not been notified that any employers carry out their own process. Accordingly Equiniti act as stage 1 by default.	Ongoing (annual check - Jun)	31/10/2018	Fully completed	Fully compliant		

J - Reporting breaches of the law

Legal Requirements

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The report must be made in writing as soon as reasonably practicable.

No.	TPR Requirement	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
J1	Is the Administering Authority satisfied that those responsible for reporting reaches under the legal requirements and TPR guidance understand the requirements?	Training at PC in June 2015 and at July PB. Procedure will be shared with all PB, PC and key officers & put on website.	Ongoing (annual check - Sep)	31/10/2018	Fully completed	Fully compliant	Procedure in place and periodically reviewed	
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	Breaches procedure is in place (developed May 2015).	Annual (Sep)	31/10/2018	Fully completed	Fully compliant		
J3	Are breaches being recorded in accordance with the agreed procedures?	Procedure launched May/June 2015 so no historical recording. The Head of Pension Fund Investment will maintain a record of breaches and this is included in the quarterly PC governance update report including a comment on whether any breaches are systemic and action taken. Some details may need to be withheld for confidentiality reasons. Some concerns at the moment in relation to insufficient monitoring and recording of breaches at Equiniti.	Ongoing (annual check - Sep)	31/10/2018	Fully completed	Partially compliant	Both reported and unreported breaches are included within the Quarterly Report to Pensions Committee and provided to the PB.	Ongoing work with Equiniti to ensure all breaches are identified, notified and recorded.

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Legal Requirements

Clause 7 of the Public Service Pensions Act provides that the national Scheme Advisory Board (SAB) may provide advice to scheme managers or pension boards in relation to the effective and efficient administration and management of the scheme.

It also provides that a person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

The Scheme Advisory Board has published guidance on the creation and operation of Local Pension Boards in England and Wales which incorporates a number of action point check lists at the end of some of the sections. The following are the items in those checklists.

No.	SAB Requirement	SAB Section	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
K1	Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.	5	Hackney Council approved 27/2/15.	Ongoing (annual check - Feb)	31/10/2018	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	First meeting planned for 16/7/15.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
K3	Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).	6	Training Policy approved by PC 14/1/15. Will be part of agenda of first meeting on 16/7/15 and it is then reviewed annually.	Annual (Jan)	31/10/2018	Fully completed	Fully compliant		
K4	A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.	6	Designated to Group Director, Finance & Corporate as part of Training Policy which will be adopted by the Board.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
K5	The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.	6	Training plan being developed including induction training for all board members.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Training plan in place - training to be provided to Pension Board members at PC meetings and separate PB training	PB members to attend fundamentals training course
K6	A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.	6	Part of Training Policy. Documents part of induction pack and on website.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	There is a Training Plan (annual) but it is focussed at whole PC/P B level. Annual self -assessment will be completed through effectiveness survey.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Partially compliant	Training needs analysis included on Nov 2018 PB agenda	A model is being developed to capture individual training needs against CIPFA requirements/TPR toolkits and to monitor against those specific requirements. Each June PC/Summer PB will highlight any individuals with outstanding requirements.

No.	SAB Requirement	SAB Section	London Borough of Hackney Approach / Evidence	Frequency of Review	Last Review Date	Review Completed	Compliant	Notes	Action
K8	An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.	7	Code of conduct is part of PB Terms of Reference. Conflicts of Interest Policy approved by PC on 31/3/15 is going to first meeting for adoption.	Annual (Mar)	31/10/2018	Fully completed	Fully compliant	Adopted by Pension Board at its first meeting	
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	Planned for first PB meeting	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Training plan in place - training to be provided to Pension Board members at PC meetings and separate PB training	PB members to attend fundamentals training course
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	Included as part of Policy requirements.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	Outlined in PB Terms of Reference	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant		
K12	A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.	8	Copy of Council's FOI policy will be provided to all PB members as part of induction pack.	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Partially compliant		Council's FOI policy to be provided to new PB members
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	Planned for first PB meeting	Ongoing (annual check - Jan)	31/10/2018	Fully completed	Fully compliant	Breaches policy agreed by PB and breaches included in quarterly reporting	
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	A requirement outlined in PB Terms of Reference	Annual (Summer)	31/10/2018	Fully completed	Fully compliant	PB Annual report published in 2017/18 accounts	
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	Completed and updated at March 2015 PC.	Annual (Mar)	31/10/2018	Fully completed	Fully compliant		

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REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
Data Improvement Update Pensions Board 29th November 2018	Classification PUBLIC	Enclosures None AGENDA ITEM NO.
	Ward(s) affected ALL	

1. INTRODUCTION

- 1.1 This report covers an update to the Board on progress made on issuing the 2017/18 Annual Benefit Statements (ABSs) to active members of the Fund. The report also covers actions taken to help improve the quality of data provided by the Council as an employer and to cleanse the data currently held on the pension administration system in relation to Hackney Council and schools staff.

2. RECOMMENDATIONS

- 2.1 The Pension Board is recommended to:
 - Note the actions taken to improve data provision from the Council, in respect of those employees who are members of the LGPS, to the pension administrators

3. RELATED DECISIONS

- Pensions Board 21st March 2018 - ABS Breach Reporting and 2017/18 Year End Data
- Pension Board 20th March 2017 – Year End Data and Payroll Implementation Update

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 The standard of monthly and year end contribution data provided by the Council to the Pension Fund has declined in recent years, as the 2014 scheme changes and introduction of auto-enrolment have made the provision of adequate data more challenging. The financial implications of poor quality data for the Pension Fund are considerable; not only does it raise the risk that member benefits will not be calculated in accordance with scheme regulations, but could also reduce the accuracy of the Fund's actuarial valuation and lead to inefficient management of investment risks. This could result in employers, including the Council, paying insufficient or excessive contributions with a material impact on their own finances. The involvement of the Pension Regulator (tPR) in this areas also raises the risk of financial penalties and reputational damage.
- 4.2 The introduction in 2017 of a new payroll provider for the Council, the Fund's main employer, created additional risks around data provision but also provided opportunities for improvement. Some additional cost, such as the provision of new

reporting, is inevitable; however, this is negligible in comparison to the financial risks posed by failing to act.

5. COMMENTS OF THE DIRECTION OF LEGAL AND GOVERNANCE

- 5.1 The Pension Fund is required, under Section 4 of the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 to hold certain information about its members. Failure to maintain complete and accurate records could result in the Fund failing to pay benefits in accordance with scheme regulations, inefficient management of investment risk and potentially excessive or insufficient contribution rates for employers.
- 5.2 Failure to adhere to the overriding legal requirements could therefore impact on meeting the ongoing objectives of the Pension Fund. In addition, where scheme managers or pension boards fail to address poor standards and non-compliance with the law, TPR will consider undertaking further investigations and taking regulatory action, including issuing an enforcement action notice or imposing a substantial financial penalty against the Fund.

6. BACKGROUND TO THE REPORT

- 6.1 Whilst this is not an issue that is confined to the London Borough of Hackney, submitting good quality data to the Pension Fund has been an ongoing problem for the Council for a number of years. The increased complexity of the 2014 CARE scheme and the introduction of auto-enrolment have made the provision of accurate data more challenging; the quality of the data held by the Fund has declined sharply since 2013.
- 6.2 This issue poses significant financial and reputational risks to both the Pension Fund and the Council itself. Clearly, inaccurate contribution data raises the risk that member benefits will be calculated incorrectly, but could also reduce the accuracy of the Fund's actuarial valuation. This could result in employers, including the Council, paying insufficient or excessive contributions with a material impact on their own finances. The involvement of the Pension Regulator (tPR) in this area also raises the risk of significant financial penalties and reputational damage.
- 6.3 The issue also impacts the provision of information to scheme members. The Fund has a statutory duty to provide active and deferred members with an Annual Benefit Statement (ABS) by 31st August each year. Failure of employers to provide adequate membership data can seriously delay the production of ABSs, breaching the Fund's statutory duty and necessitating a declaration to the Pensions Regulator.

7. PRODUCTION OF 2017/18 ANNUAL BENEFIT STATEMENTS

- 7.1 As at 31st August 2018 the Fund had sent out statements to all its deferred members and 627 active members. The Fund therefore breached the statutory deadline for statements for approximately 6,300 active members, the vast majority of whom were employed by Hackney Council or its maintained and voluntary-aided schools. The failure to send these statements primarily resulted from the failure of Hackney Council to provide data by the deadlines requested.
- 7.2 At the time of writing (end October), no further statements had been sent, but 3,616 statements were being printed by Equiniti for distribution in early November. Equiniti

are continuing to work on the production of statements for the remaining 2,600 (approx.) active members; further details on the timeframe for sending these statements will be provided as the remaining data issues are assessed. .

- 7.3 The failure to send these statements represents a clear breach of law, and this issue has been reported to the Pensions Regulator. The Fund has been required to report to the Regulator regarding this issue on 3 previous occasions (2015-2018). Provision of employer data by the Council has been a long term issue for the Fund; we recognise the scale of the issue and are committed to working with the Council and Equiniti to resolve this.

8. PROGRESS TO COMPLIANCE

- 8.1 Equiniti and Fund officers are working to rectify the problems preventing the remaining 2,600 statements being issued. A large number of members affected are believed to be those holding multiple posts within the Council and its schools, for whom provision of accurate data is more challenging. Further information will be provided as this data cleanse exercise progresses.
- 8.2 The key driver behind the Fund's failure to produce timely ABSs is the failure of the Council to provide adequate data within the required timescales. In recent years, the Council has not been able to produce data in a format that can be automatically uploaded into Compendia, the Fund's administration system. The Council changed payroll provider from July 2017, which added additional risk to the process as well as providing opportunities for improvement.
- 8.3 Difficulties in obtaining consultancy time the Council payroll provider and extensive specification changes by Equiniti delayed the development of new automated data provision following the introduction of the Council's new payroll system. However, at the time of writing, successful early testing had been carried out on a new automated data upload format. This will require further extensive testing during Q4 2018 and Q1 2019 but this represents substantial progress on resolution of the underlying issue.
- 8.4 It is therefore hoped that the Council will be able to move to provision of a monthly upload during Q1/Q2 2019. A substantial further data cleansing exercise will be required once the process is running and the provision of 2018/19 ABSs by 31st August 2019 may therefore also be affected.
- 8.5 Both the Council and its Pension Fund recognise that this is a significant issue and will require additional resource within both the Council and the Pension Fund to resolve. Officers of the Fund are working closely with both Equiniti and the Council's IT and Payroll teams to plan both the work required during 2019 to resolve this issue and the resources required on an ongoing basis to develop and maintain a higher quality of data provision.

Ian Williams

Group Director, Finance & Corporate Resources

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REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
Administering Authority Discretions Policies Pensions Board 29th November 2018	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 This report sets before the Pensions Board the discretionary policies for Hackney Council as administering authority for the London Borough of Hackney Pension Fund. These have been brought before the Board following a recent change to the Policies approved by the Pensions Committee on 23rd July 2018. The amendments to the Policies include changes resulting from a change of management team since the last review and changes taking into account the establishment of the Hackney Pensions Board.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to:
 - Note the amended Administering Authority discretions policies

3. RELATED DECISIONS

- Pensions Committee 23rd July 2018 – Administering Authority Discretions Policies
- Pensions Committee 23rd July 2018 – Admissions Policy
- Pensions Committee 29th September 2014 – Administering Authority Discretions Policies

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

- 4.1 Ensuring that the Fund has clear policies in place in relation to Administering Authority discretions helps maintain proper financial governance of the Fund. Some of the areas where the regulations permit discretion can impact the financial health of the Fund or change its exposure to certain risk factors; ensuring that clear policies are in place helps maintain a consistent and prudent approach to these areas.
- 4.2 There are no immediate financial implications arising from this report

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 Hackney Council, as administering authority to the London Borough of Hackney Pension Fund, has determined its discretionary policies in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), and related legislation, and these are outlined in the attached statement.

- 5.2 The content of these policies has been reviewed in line with current legislation. The Council will exercise these discretions in line with the provisions of the various LGPS Regulations and other legislation. Nothing within this statement can overwrite the legal requirements within those provisions.
- 5.3 These policies do not give, nor shall they be deemed to give, any contractual rights to any member of the Pension Fund, or to any other person whatsoever. Each case brought to the Administering Authority under these Policies will be assessed on its own merits and fully investigated before a decision is made. Nothing in this document will cause the Administering Authority's capacity to exercise its discretionary powers to be unlawfully fettered, or restricted in any way, as full access to relevant information and documents can and will be granted.
- 5.4 The Council will review the policies within this statement as required in the light of future changes to the LGPS legislation or other relevant legislation. It will also be reviewed at least every three years.
- 5.5 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 The LGPS Regulations 2013 contain a number of areas where the Administering Authority can exercise its discretion and policies must be made and published relating to a number of these. Administering Authority discretions policies apply to all employers (and their scheme members) who participate in the Pension Fund. Since 2005, the London Borough of Hackney has published its discretions policies in an amalgamated statement and, in line with good practice, these policies have been formally reviewed every three to four years.
- 6.2 This update to the statement represents a routine review, ensuring that the list of discretions is complete and existing policies are still appropriate. Changes have been made to accommodate changes to the governance structure of the Fund since the last review, as well as changes to the management team.
- 6.3 The attached appendix to this report sets out the updated Statement of Administering Authority Discretions Policies, showing each area of discretion and the Hackney Pension Fund policy. The attached Statement highlights:
- where a new discretionary policy has been added (yellow)
 - where the previous policy has been changed (turquoise) together with the reason for the change.
- 6.4 Most of the changes are updates to account for a change of decision maker following a team restructure. The most significant changes have been to add new policies in relation to the Pension Board and a change of regulation around exit credits to ceasing employers. The policies relating to the Board are all in relation to its establishment and set out the administering authority's discretion to decide appointment procedures, terms of appointment and membership of the Board and any other procedures applicable to it. It also confirms the administering authority's decision not to pursue establishment of a Joint Pension Board.

- 6.5 There are a number of areas in which Hackney Council can also exercise discretionary powers as an employer in the Pension Fund. These have also been reviewed during 2018/19 and were approved by the Council's Corporate Committee on 10th October 2018

Ian Williams

Group Director, Finance & Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

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Appendices

Appendix 1 – Administering Authority Discretions Policy

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LONDON BOROUGH OF HACKNEY PENSION FUND

STATEMENT OF ADMINISTERING AUTHORITY DISCRETIONS POLICIES

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Administering Authority statement of policy on discretions – effective 1 August 2018

Introduction

Hackney Council, as administering authority to the London Borough of Hackney Pension Fund, has determined its discretionary policies in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), and related legislation, and these are outlined in this statement. We will apply these policies to all members of the Pension Fund, regardless of who their employer is. Where relevant, these policies equally apply to members who left pensionable service prior to 1 April 2014 (albeit only in relation to discretions exercised since the effective date of these policies), to councillor members and to pension credit members.

We reviewed and updated the content of these policies in line with current legislation. These amended policies were approved at the Hackney Council Pension Committee on 23 July 2018 and are effective from 1 August 2018 unless stated otherwise within this statement.

We retain the right to change these policies at any time as long as we republish the amended policy at least within one month of when the change(s) we are introducing come(s) into effect.

These policies do not give, nor shall they be deemed to give, any contractual rights to any member of the Pension Fund, or to any other person whatsoever. Nothing in this document will cause the Administering Authority's capacity to exercise its discretionary powers to be unlawfully fettered or restricted in any way.

We will exercise these discretions in line with the provisions of the various LGPS Regulations and other legislation. Nothing within this statement can overwrite the legal requirements within those provisions.

We will review the policies within this statement as required in the light of future changes to the LGPS legislation or other relevant legislation. It will also be reviewed at least every three years.

Administering Authority Discretions under the Local Government Pension Scheme

[Key to changes – to be removed before final publication on Pension Fund website as well as final column]

- **New discretion/policy or an existing provision that was not previously included**

- **Change to existing policy – explained in final column]**

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
Key Strategies and Policies				
1	R13 - 55	Publish a Governance Policy stating how functions are delegated and whether the Administering Authority complies with guidance given by the Secretary of State	A copy of the current Governance Policy can be found on the Pension Fund's website.	
2	R13 - 58	Decide on the Funding Strategy for inclusion in funding strategy statement	Agreed in co-operation with actuary. A copy of the current Funding Strategy can be found on the Pension Fund's website.	
3	R13 - 61	Develop a Communication Policy setting out how the Administering Authority communicates with members, representatives of members, prospective members and employing authorities and the format, frequency and method of communications	A copy of the current Communications Policy can be found on the Pension Fund's website.	
4	R13 – 59(1) and (2)	Decide whether to have a written Pensions Administration Strategy and, if so, the matters it should include	A copy of the current Administration Strategy can be found on the Pension Fund's website.	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
Scheme Management				
5	R13 – 105(2)	Whether to delegate any administering authority functions under the Regulations	The Administering Authority does delegate certain functions to senior officers and to the Pension Committee as appropriate. Details of these are set out in the Council's Constitution and summarised in the Governance Policy.	New
6	R13 – 106(3)	Whether to establish a joint local pensions board (if approval has been granted by the Secretary of State)	The Administering Authority did not establish a joint pension board	New
7	R13 – 106(6)	Decide procedures applicable to the local pensions board	Procedures have been decided, and are detailed in the local pension board's terms of reference	New
8	R13 – 107(1)	Decide appointment procedures, terms of appointment, and membership of the local pensions board	The appointment procedures and terms have been decided, and are detailed in the local pension board's terms of reference. The membership of the local pension board is set out on the Pension Fund's website.	New
Disputes				
9	R13 – 74(1) A58 R97 – 100	Appoint a person for dealing with applications under Stage One of the dispute resolution procedures (IDRP) in relation to any disputes relating to the role as Administering Authority (includes in relation to councillor members)	The Head of Pensions Administration will act as the Stage One IDRP assessor for Administering Authority disputes. Where the Head of Pensions Administration has previously been involved in the case, the Head of Pension Fund Investments will carry out this role.	Change in decision maker to ensure independence

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
10	R13 – 76(4) A60(8) R97 – 99	Decide the procedure to be followed by the Administering Authority when exercising its Stage Two IDRP functions (includes in relation to councillor members)	Stage 2 determinations are dealt with by the Group Director, Finance and Corporate Resources of the London Borough of Hackney, after obtaining relevant advice and guidance.	
11	R13 – 79(2) A63(2) R97 – 105(1)	Whether Administering Authority should appeal to the Secretary of State against an employer decision (or lack of a decision) – includes in relation to councillor members.	The Fund will appeal to the Secretary of State when there is sufficient evidence that an employer has made a decision or committed an act (or failed to act) that is both wrong in law and material, where we have been unable to persuade the employer to alter its actions (or inactions). Such matters will be decided by the Head of Pension Fund Investment.	Change in decision maker
Admission Agreements and Employer Management				
12	R13 – 3(5) and Sch 2, Part 3, Para 1	Whether to agree to an admission agreement with an external employer.	Please see our separate Admissions Policy.	Minor change to add in another regulation reference
13	R13 – Sch2, Part 3, Para 14	Whether to backdate the effective date of an admission agreement with an external employer.	Please see our separate Admissions Policy.	New
14	R13 – 4(2)(b)	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission	This will be subject to agreement by the Pension Committee.	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
15	R13 – Sch 2, Part 3, para 9(d)	Whether to terminate a transferee admission agreement in the event of <ul style="list-style-type: none"> insolvency, winding up or liquidation of the body breach by that body of its obligations under the admission agreement failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	Please see separate Admissions Policy.	
16	R13 – Sch 2, Part 3, para 12(a)	Employees of a contractor are only entitled to remain in the LGPS whilst they continue to be employed in connection with the original services that were transferred. This expression should be defined by the Administering Authority.	This is defined as meaning an employee will be expected to work at least 50% of their time on the services covered by the contract to remain in the LGPS.	
17	R13 - 54(1)	Whether to set up a separate admission agreement fund	Please see our separate Admissions Policy.	
18	R13 – 64(2A)	Whether to suspend, for up to 3 years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.	This will be decided by the Head of Pension Fund Investment taking into consideration the advice of the Fund Actuary.	New

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
19	R13 – 64(2ZA)	Whether to agree to pay an exit credit which is payable to an exiting employer, beyond three months of the date on which that employer ceases to be a Scheme employer. This would be an extension of the usual timescale and would only be permitted if agreement is also received from the exiting employer.	This will be decided by the Head of Pension Fund Investment and the exiting employer.	New
20	R13 – 64(4)	Whether to obtain a revision of the rates and adjustments certificate if there are circumstances that make it likely that a Scheme Employer will be ceasing.	This will be decided by the Head of Pension Fund Investments in accordance with the Fund's Admission Policy taking into consideration the advice of the Fund Actuary	Change in decision maker
21	R13 - 65	Whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Regulations as part of the "cost sharing" valuation	This will be decided by the Head of Pension Fund Investments taking into consideration the advice of the Fund Actuary.	Change in decision maker
22	R13 – 68(2) TP14 – Sch 2, Para 2(3) R97 – 80(5)	Whether to require any strain on Fund costs to be paid "up front" by an employer following redundancy / business efficiency, flexible retirement, or the waiver (in whole or in part) of any actuarial reduction on voluntary or flexible retirement.	Where costs arise from an employer's decision to allow early retirement, these costs will be met by an internal recharge or invoice, as appropriate. The council and external employers (including schools) will be required to meet any strain cost payment within the financial year in which the early retirement, on any grounds, takes place.	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
23	R13 – 80(1)(b) TP14 – 22(1) A64(1)(b)	What information should be supplied by employers to enable administering authority to discharge its functions	The Third Party Administrator will determine the format and frequency of information. Details are available in the Pension Administration Strategy (PAS) and Employers' Guide, a copy of which can be found on the Pension Fund's website.	
24	R13 – 69(1)	Decide frequency of payment of contributions to the Fund by employers and whether to make an administration charge for late receipt.	Details are included in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website.	
25	R13 – 69(4)	Decide the format and frequency of information from employers to accompany payments of contributions to the Fund	The Third Party Administrator will determine the format and this frequency of information. Further information is available in the Pension Administration Strategy (PAS) and Employers' Guide, a copy of which can be found on the Pension Fund's website.	
26	R13 – 70 TP14 – 22(2)	Whether to issue an employer with a notice to recover additional costs incurred as a result of the employer's level of performance	Details are included in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website.	
27	R13 – 71(1)	Whether to charge interest on payments by employers overdue	Details are available in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
28	R13 – 36(3) A56(2) R97 – 97(10)	The Administering Authority is required to approve medical advisors used by employers (for the determination of ill health benefits) – including in relation to councillor members.	The Head of Pensions Administration will determine whether an employer can use an alternative Occupational Health Provider to the Council's own provider	Change in decision maker
Payments relating to Death				
29	R13 – 82(2) A52(2) R97 – 95	A death grant due to a scheme member's estate can be paid to the personal representative(s), or anyone appearing to be, without the need for grant of probate / letters of administration if the death grant is less than the amount specified in any order under Section 6 of the Administration of the Estates (Small Payments) Act 1965 (£5,000 at the time of the making of this policy). This also relates to councillor members.	The Fund will normally pay the death grant without production of grant of probate / letters of administration in such cases, subject to the agreement of the Head of Pensions Administration.	Change in decision maker

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
30	R13 – 17(12), 40(2), 43(2) & 46(2) TP14 – 17(5) to (8) B23(2), 32(2) & 35(2) T08Sch1 R97 - 38(1) & 155(4) R95 - E8	The Administering Authority may, at its absolute discretion, pay any death grant due (including AVCs, SCAVCs and life assurance relating to AVCs) to or for the benefit of the member's nominee, personal representatives or any person appearing to the authority to have been a relative or dependent of the member. This also relates to councillor members.	Delegated powers to decide who is to receive payment of death grants have been given to any two of the following – <ul style="list-style-type: none"> Group Director, Finance and Corporate Resources Head of Pensions Administration Head of HR & Organisational Development Director, Financial Management A quorum of two of the officers is required for a decision to be made.	Change in decision maker
31	R13 – Sch 1 TP14 – 17(9)(b) B25	The Administering Authority must decide the evidence required to determine financial dependence of a co-habitee on a scheme member or financial interdependence between the co-habitee and the scheme member	We will provide the appropriate parties with the details of the evidence required to determine financial dependence or interdependence, and the final decision about any cases will be made by the Head of Pensions Administration based on the evidence provided.	Change in decision maker
32	TP14 – 3(6), 4(6)(c), 8(4), 10(2)(a), 17(2)(b) B10(2)	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, the Administering Authority can decide whether to make that election on behalf of the deceased member	This discretion will automatically be applied if it would result in higher benefits being paid.	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
33	TP14 – 3(6), 4(6)(c), 8(4), 10(2)(a) & 17(2)(b) T08 - Sch 1 R97 - 23(9)	Whether to make an election on behalf of a deceased member who had a certificate of protection of pension benefits so their benefits may be calculated using the best pay figure	This discretion will automatically be used if it would result in higher benefits being paid.	
34	R97 - 22(7)	Whether to select an alternative final pay period for deceased non-councillor member (applies to leavers between 31st March 1998 and 1st April 2008)	This discretion will automatically be used if it would result in higher benefits being paid.	
35	R13 – Sch 1 "Eligible Child" TP17(9)	Whether to treat a child as being in continuous education or vocational training, despite a break (including a child of a councillor member) so that the child's pension resumes after the break.	We will normally accept short breaks including term holidays, and also gap years, as being interruptions in education/training and will restart a suspended child's pension at the end of such a break or gap, providing confirmation from the relevant body is received that education/training has resumed. The Head of Pensions Administration will decide each case on its own merits.	Change in decision maker
36	R97 - 47(1) R95 – G11(1)	How to apportion children's pension amongst eligible children (children of councillor members and children of leavers between 31 st March 1998 and 1 st April 2008)	Where there is more than one eligible child, the Fund will normally divide a children's pension equally between the eligible children, with delegated authority given to the Head of Pensions Administration to determine what is appropriate.	Change in decision maker

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
37	B27(5) R97 – 47(2) R95 – G11(2)	Whether to pay the whole or part of a child's pension to another person for the benefit of the child (includes children of councillor members). This applies to pre 1 st April 2014 leavers only.	Where a child is below the age of 17, we will normally pay his/her pension to the person who has the care of the child, to be applied for the benefit of that child. This will be decided on a case by case basis by the Head of Pensions Administration.	Change in decision maker
38	R95 - F7	Whether or not to suspend of spouses' pensions during remarriage or cohabitation	We will not suspend spouse's pensions and therefore they will be paid for life.	
Transferring or Linking Benefits				
39	R13 – 98(1)(b)	Whether to agree to the payment of a bulk transfer	Please see our separate Admissions Policy which also covers bulk transfer payments.	
40	R13 – 100(6)	The Administering Authority (with the agreement of the employer) may extend the 12 month time limit for a scheme member to elect to transfer in benefits from a non-local government pension scheme or personal pension plan.	We expect scheme members to request all transfers within 12 months, and will only extend the 12-month time limit in exceptional circumstances where the scheme member can demonstrate the reason for their late request was outside of their control. The Head of Pensions Administration will determine any such requests in consultation with the employer.	Change in decision maker
41	R13 – 100(7)	Whether to allow transfers of pension rights into the Fund	We will accept all transfer values (subject to meeting the appropriate timescales).	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
42	TP14 – 15(1)(d) & A28(2)	Whether to charge a scheme member for the provision of an estimate of the additional pension that would be provided in the Fund in return for a transfer in of in house AVC/SCAVC funds (only applies where the arrangement was entered into before 1 st April 2014)	<p>Scheme members may request one quote per financial year that is provided free of charge. In the exceptional case that a further quote is requested by the same member, we reserve the right to impose an administration charge on the scheme member equivalent to the charge for additional retirement quotes as per the Pension Administration Strategy in force at the time of the request, a copy of which can be found on the Pension Fund's website.</p> <p>The decision as to whether to impose this charge will be made on a case by case basis by the Head of Pensions Administration.</p>	Change in decision maker
43	TP14 – 10(9)	Where a deferred member also has ongoing multiple concurrent employments, the member may be able to choose which employment the deferred benefits are aggregated with. We can decide this where the member does not make their own election within 12 months.	The Third Party Administrator will decide this based on what appears to be the most beneficial approach at the point 12 months after the person became a deferred member for that employment.	
44	R97 - 118	Whether the Fund will retain the Contributions Equivalent Premium (CEP) where a scheme member transfers out to a contracted in pension scheme (for councillor members and pre 1.4.08. leavers)	The CEP amount will be retained by the Fund and used towards providing the balance of benefits due to the scheme member.	
Other Miscellaneous Discretions				

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
45	R97 – 106A(5)	The date to which benefits shown on deferred Annual Benefit Statements are calculated	All annual benefit statements will be calculated as at the 31st March preceding their distribution.	Discretion only now applies to deferred benefit statements
46	TP14 – 3(13) A70(1) & A71(4(c)) T08 – 12 R97 – 109 & 110(4)(b)	Abatement of pensions on re-employment (applies to pre 1 April 2014 retirees only including councillor members)	Retirement benefits are not abated and any that are subject to abatement as at 1 October 2014 will cease to be abated from that date.	
47	R13 – 22(3)(c)	The pension account may be kept in such form as is considered appropriate	The Third Party Administrator will determine the form a pension account should be kept in.	
48	R13 – 83 A52A	An Administering Authority may determine how and to whom benefits may be paid if the recipient is incapable of managing their affairs by reason of mental disorder or otherwise	In these circumstances we may decide to pay some or all of the benefit to someone else to be applied for the benefit of the scheme member. The Head of Pensions Administration will decide these matters on a case by case basis.	Change in decision maker
49	R13 – 16(1)	Whether to turn down a request to pay an APC/SCAPC by regular contributions over a period of time where it would be impractical to allow such a request, for example, due to the pension being bought resulting in very small payments	We will not decline a request unless an employer asks us to and, if an employer does so, the Head of Pensions Administration will decide whether to decline the request	Change in decision maker

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
50	R13 – 16(10)	Whether to require a satisfactory medical before agreeing to an application to pay an APC or SCAPC, and whether to turn down the application if not satisfied that the member is in reasonably good health.	Any scheme member wishing to purchase additional pension via an APC/SCAPC by paying regular contributions will be required to undergo a medical examination and to be found to be in reasonable health prior to being permitted to commence payment of additional contributions.	Added clarification of discretion, and change in Hackney's policy to only require a medical examination in certain situations
51	R13 – 32(7)	A scheme member wishing to receive benefits other than at normal pension age, or on flexible retirement, must elect to do so within certain time limits. The Administering Authority may extend these time limits.	We expect any elections to be made within the time limits in the regulations. However, the time limit may be extended by the Head of Pensions Administration in exceptional circumstances.	Change in decision maker
52	TP14 – 15(1)(c) T08 - Sch1 & R97 - 83(5)	Whether to extend the time period for a scheme member electing to capitalise remaining contributions to an added years contract in cases of redundancy	We will normally apply the prescribed 3 month time limit, however the Head of Pensions Administration may extend this in exceptional circumstances.	Change in decision maker
53	R13 – 34(1) B39 T08 - 14(3) R97 – 49 & 156	The Administering Authority may commute small pensions into a lump sum where they are below nationally prescribed limits.	We will pay a lump sum in lieu of a pension which falls below the nationally defined limits unless the member elects to continue to receive the pension as an ongoing payment.	
54	R13 – 49(1)(c) B42(1)(c)	Decide, in the absence of an election from the scheme member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations in respect of the same period of Scheme membership	These will be decided on a case by case basis by the Head of Pensions Administration.	Change in decision maker

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
55	R97 - 147	Whether to permit a Pension Credit to remain in the Fund or require a transfer out	The Third Party Administrator will deal with these cases in accordance with the Pension Credit member's wishes.	
56	R97 - 50 and 157	Whether to commute benefits due to exceptional ill-health (applies to councillor members and pre 1 st April 2008 leavers only)	In these circumstances, we will pay a lump sum in lieu of a pension unless the member elects for it not to be paid.	
57	R97 - 91(6)	The Administering Authority may determine the timing of pension increase payments by employers to Fund (applies to pre 1 st April 2008 leavers only)	Any such payments must be made monthly.	
Discretions relating to employers which no longer exist				
58	R13 – 38(3) & 38(6) B31(4) and 31(7)	A former employer must decide whether a deferred member meets the criteria for permanent ill health. This also applies to a scheme member who was formerly in receipt of Tier 3 ill-health benefits. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Hackney Council as the main employer in the Fund.	
59	TP14 – Sch 2, Paras 1(2) and 2(2)	An employer can choose to allow rule of 85 protections to apply to a scheme member's benefits on voluntary retirement. In doing this some or all of the early retirement reduction would not apply. This provision can only apply to scheme members who have reached age 55. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Hackney Council as the main employer in the Fund.	

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
60	TP14 – 3(1), Sch 2, Paras 2(1) and 2(2) B30(5) and 30A(5)	An employer can choose whether to waive on compassionate grounds any reduction to benefits that might otherwise apply. This can also apply to former Tier 3 Ill-Health members. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If not, we will follow the policy of Hackney Council as the main employer in the Fund.	
61	R13 – 30(8)	An employer can choose to waive, in whole or in part, any reduction that might otherwise apply to that scheme member's benefits on flexible retirement. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Hackney Council as the main employer in the Fund.	
62	R13 – 30(8)	An employer can choose to waive, in whole or in part, any early retirement reduction that might otherwise apply to a scheme member's benefits on voluntary retirement. These provisions only apply to scheme members who have reached age 55. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Hackney Council as the main employer in the Fund.	

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Ref	Regulation Reference	Description of Discretion	London Borough of Hackney Pension Fund Policy	Description of Change where applicable
63	31(2)	Where an employer terminates employment early, the Administering Authority may agree to pay compensation on behalf of employer from the Fund and recharge payments to employer	The Administering Authority will pay compensation on behalf of employer from the Fund and recharge payments to employer	

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*Key to Regulation References:

- R13 – The Local Government Pension Scheme Regulations 2013
- TP14 – The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- A – The Local Government Pension Scheme (Administration) Regulations 2008
- B – The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
- T08 – The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- R97 – The Local Government Pension Scheme Regulations 1997
- R95 - The Local Government Pension Scheme Regulations 1995

*Note that references to old provisions (e.g. R97) generally apply in relation to scheme members who left under those provisions.

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
Pension Fund Administration Annual Report 2017/18 Pensions Board 29th November 2018	Classification Public	Enclosures: None AGENDA ITEM NO.
	Ward(s) affected ALL	

1. INTRODUCTION

- 1.1 This report outlines the work undertaken by the London Borough of Hackney and the performance of the pension fund administrators, in regard to the administration of the LGPS Hackney Pension Scheme for the financial year 2017/18. The contract for pension administration, and pension payroll, is managed externally by the Fund's pension administrators, Equiniti, with the contract being overseen by the internal Pensions Administration Team at the London Borough of Hackney.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to note the report.

3. RELATED DECISIONS

- Pensions Committee - Special (25 March 2017) - Procurement of Third Party Pension Administration Services – Approve the award of contract
- Pensions Committee (24 January 2017) - Procurement of Third Party Pension Administration Services - Update (Exempt)
- Pensions Committee (6 December 2016) - Procurement of Third Party Pension Administration Services (Exempt)
- Pensions Sub-Committee (17 January 2013) – Pensions Administration Contract, approval of 3 year extension
- Pensions Sub-Committee (9 December 2008) – Procurement of Pension Scheme Administrator and Pension Payroll Provider

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 The costs of administration as a whole for the Pension Fund are relatively small compared to the overall value for the Fund. The cost in 2017/18 was £827k, compared to £539k in 2016/17. This increase was the result of significant increases to the cost of the Fund's administration contract in year due to backdated increased member numbers and the additional cost of carrying out a GMP reconciliation exercise. The implementation of the new Third Party Administration contract during 2018/19 should see this overall cost reduce.
- 4.2 It is evident that having efficient administration is crucial to the effective management of the Pension Fund. The cost is made up of the cost of the third party administrators, including the administration of the pension payroll, and the internal costs of administering the Fund. This year the average cost of administering the Fund per member was £36.07 based on the current cost and membership at 31 March 2018,

compared to £23.14 at 31 March 2017. As set out above, this level of costs per head is expected to reduce again in the current financial year with the implementation of the new contract and as there should be no further backdated fees imposed.

- 4.2 Good administration is key to ensuring that the Fund is able to meet its pension commitments in a timely manner and will avoid additional charges to the Fund from late payments and fines. The administration of the Pension Fund is closely monitored by officers of the Council to ensure efficient service delivery.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 The Local Government Pension Scheme Regulations 2013 set out in detail the administration of the Pension Scheme and how the Scheme rules are to be applied. If these were to be applied incorrectly then this would pose a risk to the Pension Fund.
- 5.2 The Pensions Board has a duty to assist the administering authority in complying with the LGPS Regulations 2013 and other relevant legislation, and to ensure the effective and efficient governance and administration of the scheme. Receiving regular updates on the performance of the administration function helps the Board to ensure that the scheme is well administered and compliant with relevant legislation. Consideration of this report is therefore within the remit of the Pensions Board.
- 5.3 There are no immediate legal implications arising from this report.

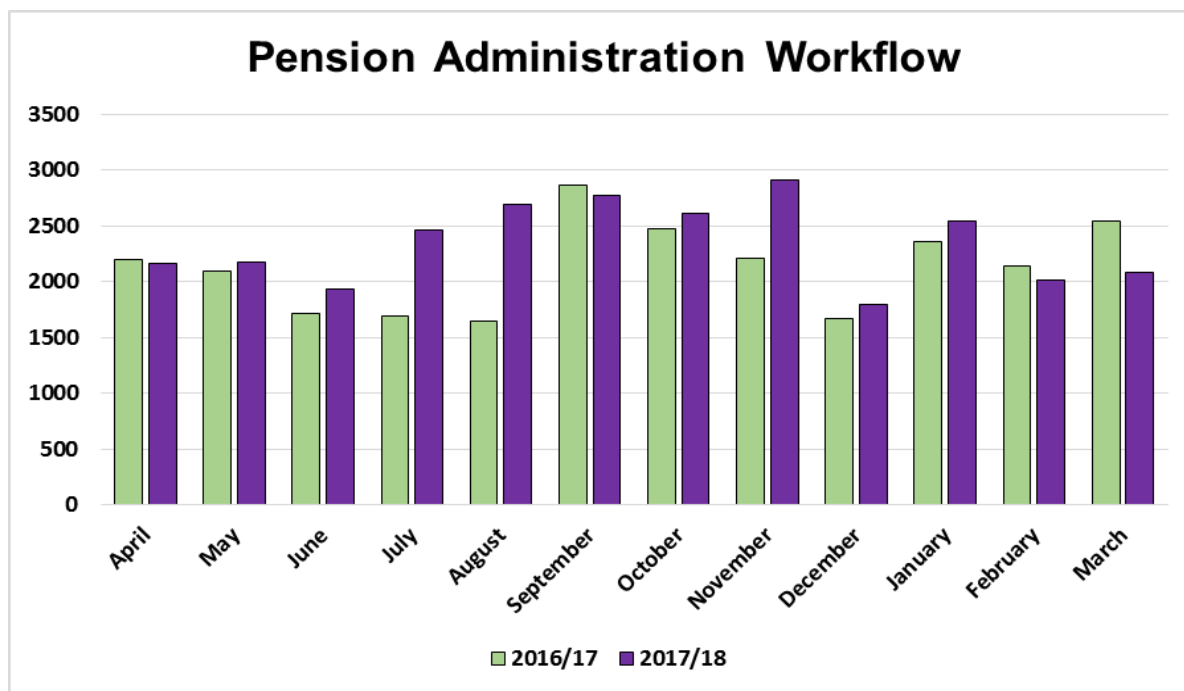
6. SUMMARY

- 6.1 The pension administrators, Equiniti, have a dedicated team of qualified pension professionals who manage the day to day administration of the scheme on behalf of the London Borough of Hackney. The contract is monitored by the internal Pensions Administration Team at the London Borough of Hackney on a monthly basis and performance is measured against Service Level Agreements (SLA). Over the year the pension administrators handled 28,142 cases, an increase of 2,453 on the previous year of 25,598.
- 6.2 Overall performance against the SLA has shown a slight decrease for 2017/18 at 94.4%, compared to 97.1% for 2016/17, which can be attributed to the increased workflow and the continued difficulties faced by the administrators due to the Council's failure to provide quality reporting since changing payroll provider in July of 2017. Despite these ongoing difficulties, Equiniti have successfully issued 5,762 annual benefit statements to active members, and 7,288 benefit statements to deferred members, including Councillors.

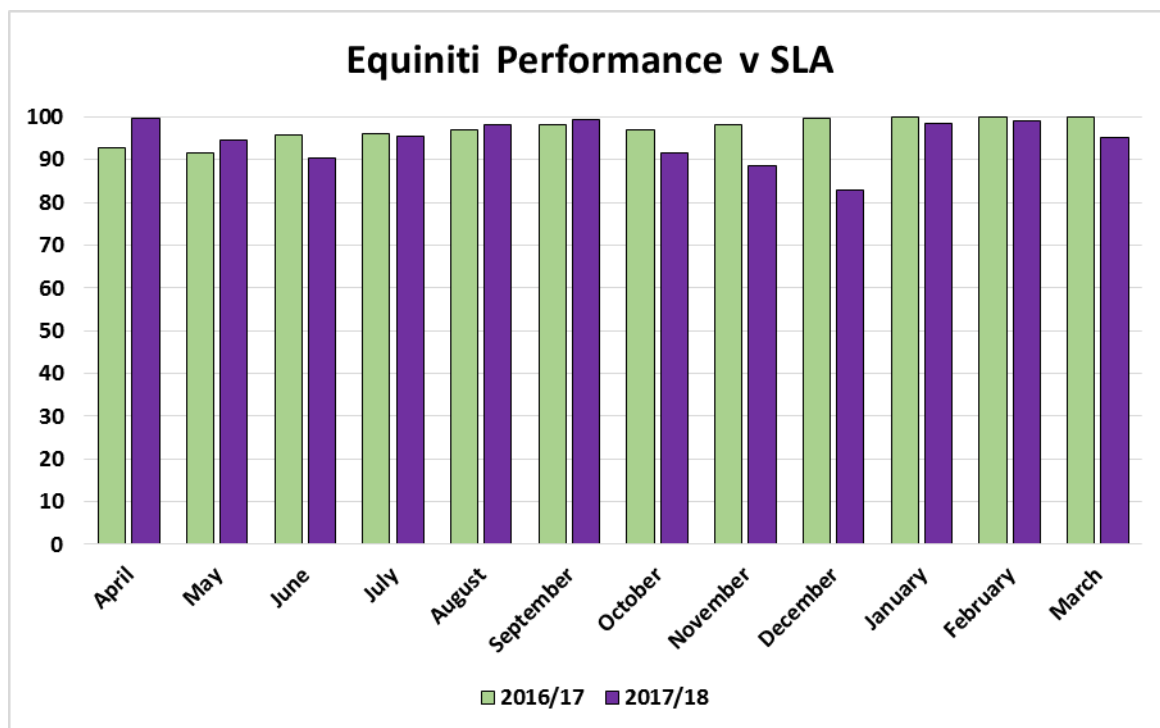
7. ADMINISTRATION PERFORMANCE

- 7.1 The performance of the pension fund administrators, Equiniti, is monitored by the internal Pensions Administration Team at Hackney Council. Meetings are held monthly to discuss performance against service level agreements, workflows, data cleanse issues and planning of future work projects. Meetings also include discussion of specific administration cases and recommendations for enhancements to the service provision both to Hackney and to members of the scheme.

- 7.2 Over the last year the total cases received by the administrators has increased significantly from 25,598 cases in 2016/17 to 28,142 in 2017/18, an increase of 9.5% on the previous year. The average number of cases received monthly has increased from 2,133 in the previous year, to 2,346 in 2017/18. The number of cases for 2017/18 in comparison to 2016/17 is shown in the chart below:-



- 7.3 The increase has been due to the continued lack of a monthly payroll interface from the Council, the largest employer, which means all starters, opt-outs, leavers and change notifications are being processed manually. Following the issue of approx 4,300 active statements in early September, the caseload increased from then through to November 2017 due to additional data cleansing and verification being done manually on member records, in order to issue further batches of active benefit statements by end of December.
- 7.4 The lack in quality data received from the Council, and the payroll provider, continues to have a significant impact on workloads, with data cleansing and validation being a priority for the annual benefit statements. Considerable problems still remain with the Council's payroll system and as a year-end file was not provided, extrapolated data from monthly returns was used to update member records sufficiently to produce some of the annual benefit statements within the regulatory timeframe.
- 7.5 As the year-end file was not provided, the Fund was not able to comply with its regulatory duty of providing annual benefit statements to **all** of its members by the end of August 2017, and the Council was obliged, again, to report itself to tPR, setting out what had happened and the steps it had taken to correct the issue. No further action was taken by tPR.
- 7.6 Performance under the pension administration contract when compared to the service level agreement (SLA), was 94.4% for 2017/18 as a whole, which is a slight decrease on 97.1% in 2016/17. This in its self is an achievement considering the difficulties the administrators had to overcome again this year. The performance v SLA over 2017/18 in comparison to 2016/17 is shown in the chart below:-



7.7 In addition to dealing with the day to day administration cases, Equiniti have also undertaken a number of tasks on behalf of the Fund, some of which are listed below:

- The year end pension payroll process has been completed for both the monthly and annual payrolls including the application of the pension increase (PI), reconciliation of the payrolls, production of P60s and reporting to HMRC
- System year end update of pension increase; Lifetime Allowance and Annual Allowance earnings and contribution histories was completed
- Certificates of Continued Entitlement (life certificates) were issued to all overseas pensioners and pensioners over the age of 80. This revealed 3 deaths that had not been previously notified to the administrators and 4 people who require power of attorney as they could no longer manage their own affairs.
- Data submissions:
 - FRS17 data submitted to the Actuary for 14 employers
 - Data submission for Club Vita longevity studies
 - 3 cessation valuation calculations for ceased employers
 - Monthly HEAT data capture report to the Actuary
- Overpayment of pensions - identified overpayments to a value of £92,862.03. These were as a result of late death notifications and re-employment cases. To date £41,817.23 has been recovered.

7.8 Employers and schools administration performance has been monitored over the year, and assistance and additional training has been provided to help support them with administering the scheme to ensure more accurate data is provided to Equiniti. Additional administration charges have been issued to a number of employers where

persistent failure to deliver accurate and timely information, despite support, has arisen. In most instances there was a 1 or 2 day delay in getting the contribution payment or supporting data to Equiniti, and employers have been reminded of the regulatory requirements to ensure payments due to the Fund are made by the 19th of the month.

8. OTHER WORK UNDERTAKEN IN 2017/18

8.1 Third Party Administration contract

The administration contract with Equiniti commenced on 1 April 2009 for an initial period of 5 years, and approval was given on 1 April 2014 to extend for a further 3 years until 31 March 2017. A short term contract extension to 31 December 2017 was agreed with the Council's Legal department and Equiniti in order to allow sufficient time for an orderly transition to a new administrator, if necessary, and for the Council to complete the transition of the payroll contract to any new provider in July 2017.

Following the procurement exercise for Third Party Pension Administrators using the National LGPS Framework, the Pensions Committee met on 25 April 2017 and approved the award of the contract to Equiniti, the previous holders of the contract. However, due to issues with the service specifications, interfaces not ready for testing, the administration system at Equiniti is yet to be reconfigured to accept the full monthly data reports, it was agreed by both parties to delay the contract commencement date of 1 January 2018 to 1 April 2018

Despite good progress being made in many areas of the new specification during the 'go-live' extension period, there were still a number of essential points of delivery that had yet to be completed such as monthly interface, monthly MI reporting in relation to SLAs and KPIs, website & secure portal with guides and factsheets. Due to these continued delays, the Council has agreed to once again extend the commencement date from 1 April to 1 July 2018. Final negotiations regarding specific terms of the new contract have now been agreed and finalised.

8.2 Ill Health Pension Benefits.

The in-house Pension Administration Team process all requests for the release of deferred member's benefits on the grounds of ill health, as well as assisting the Council's HR team with the process for the release of active member's benefits on the grounds of ill health.

Active members' ill health pensions are released on one of 3 tiers, depending on the severity of the condition under which they are being retired:

- Tier 1 - the pension benefits are fully enhanced to the member's normal retirement date – paid for life, no review
- Tier 2 – the pension benefits are enhanced by 25% of the years left to the member's normal retirement date - paid for life, no review
- Tier 3 - the pension benefits accrued to date of leaving employment - paid for a maximum of 3 years and a review is undertaken once the pension has been in payment for 18months.

Deferred member's ill health benefits are released for life and are based on the benefits accrued to the date of leaving employment, with the addition of pension increase, but they are not enhanced by the previous employer.

A breakdown of the number of active and deferred cases that were processed for 2017/18 is provided below, compared to the previous year:

DEFERRED MEMBER'S ILL HEALTH RETIREMENT CASES					
	CASES RECEIVED	SUCCESSFUL	UNSUCCESSFUL	ONGOING	WITHDRAWN
2017/18	10	5	2	2	1
2016/17	20	13	5	0	2
ACTIVE MEMBER'S ILL HEALTH RETIREMENT CASES					
	CASES RECEIVED	BENEFITS RELEASED ON TIER 1	BENEFITS RELEASED ON TIER 2	BENEFITS RELEASED ON TIER 3	UNSUCCESSFUL
2017/18	6	4	0	2	0
2016/17	3	3	0	0	0

8.3 Quarterly Newsletter – Employers/Schools

The in-house pension team continue to produce their quarterly Newsletter to employers (and schools) in the Fund. Over the last year, the newsletter has covered the actuarial valuation; the proposed exit cap; details of State Pension Age increases; the role of the Pensions Regulator; raising awareness of the 50/50 section of the scheme; GDPR effective 25 May 2018; feedback on the employer forum and details of the year-end processes for employers to provide the information needed to produce the 2018 annual benefit statements. Feedback on the newsletter has been positive and it is well received.

8.4 Pre-retirement workshops

During Q4 of 2017/18, the Pensions Team have set up a series of 'Pre-retirement workshops', aimed at members who are thinking of retiring within the next 2 to 5 years. These workshops began in May 2018 and run bi-monthly until January 2019, and will be in conjunction with a company called Affinity Connect. Affinity specialise in providing seminars/workshops on various aspects of pension and employment issues, such as retirement (as mentioned), mid-career financial planning and redundancy. Affinity provide the facilitator, learning material and bookings for the seminars/workshops free of charge to the Fund. If this first series of workshops is successful, we aim to roll these workshops out on an annual basis.

8.5 Annual Employer's Forum

The annual Employer Forum was held on 9 March 2018, and was attended by 14 of the Fund employers, including 7 schools. The Forums agenda was varied and covered subjects from employer roles and responsibilities, year-end timetable & processes, and the commencement of GDPR from 25 May 2018. Equiniti presented on the importance of correct & timely data; AON provided a presentation on '*pension hot topics*'; the Pensions Regulator (tPR) on the importance of compliance with COP14, and finally the Prudential on AVCs.

8.6 New & Ceasing Employers

During the year the Fund has admitted 2 new scheduled employers and 3 employers' contracts have ceased; breakdown is as follows:

Employer	Date Joined	Date Ceased	Deficit upon Ceasing Y/N
The Boxing Academy (conversion)	01/05/2017		
COLASP (City of London Academy, Shoreditch Park)	01/09/2017		
P J Naylor Cleaning Services		31/07/2017	N
Outward		31/12/2017	awaiting
Family Solutions		05/01/2018	awaiting

At the time of writing this report, there are 2 cessation valuations outstanding, this is due to some data anomalies that the Fund's actuary is currently clarifying with Equiniti. It is not expected that the ceasing employers' valuation results will be in deficit.

8.7 Redundancy Exercises for Departmental Budget Purposes

In 2017/18, the in-house pensions team received a total of 496 redundancy estimate requests, some of these were for members over the age of 55 who will have pension released. The team provided leaver paperwork for 77 employees who were made redundant. Breakdown of requests is provided below:-

Age Group	Redundancy Estimate Requested	Leaver Paperwork Provided
Under 55 – without pension	335	44
Over 55 – with pension	161	33
Total	496	77

8.8 Employer Data Audit

The Funds Benefits & Governance Consultants, AON, were again asked to carry out a review of the quality of data being supplied to the Pension Fund from its employers. Equiniti and officers at the Council co-operated fully with AON in regard to data gathering and providing relevant evidence for the report. The report, published in June 2017, key findings included:

- A handful of employers failing to provide an annual return
- Most are providing a monthly return, although approximately 1/3rd do not provide this in a consistently timely manner. The same applies to payment of contributions.
- Many employers still score poorly on accuracy, with difficulties in reconciling contributions paid to pensionable pay. Annual returns are generally worse affected than the monthly reporting.
- A small number of providers are responsible for the provision of data for a large majority of the membership. Significant issues have previously been reported in connection with these providers, and this remains a significant risk.

A number of the issues where they relate to the provision of data by the Council itself, have been addressed with the transition of payroll provider from Resourcelink to

iTrent during July 2017. Additional support and training has been provided to other employers to assist with making improvements to accuracy of data and timeliness, but as a last result, charges are levied where employers continually fail to provide either information or payment in a timely fashion

8.9 Weekly Inductions

In the last year, the in-house Pensions team based at the Council, have presented at weekly induction sessions for 395 new employees, ensuring they are provided with information on the benefits of the Pension Scheme. Feedback from these sessions continues to be extremely positive, with 323 of those who attended felt the sessions were either 'excellent' or 'very good' and leave the sessions having a better understanding of the scheme and its benefits.

9. THE PENSIONS REGULATOR (tPR)

9.1 Following the Pensions Regulator assuming responsibility for setting standards of governance and administration in public service pension schemes, a new Public Service Code of Practice was introduced to provide practical guidance and standards of conduct and practice, to help maintain and improve the governance and administration of pension schemes. The Code is directed at Scheme Managers (Funds) and the local Pension Boards. The role of each local Pension Board is to help ensure their scheme complies with governance and administration requirements as defined by the Code.

9.2 The Code requires Schemes to report breaches of the law to the Regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions

9.3 As detailed in paragraph 7.5 of this report, the March 2017 annual benefit statements could not be issued to **all** members within the regulatory timescales due to poor quality and the non-receipt of data from employers in the Fund. This resulted in the Council having to report itself to the tPR for non-compliance for the 3rd year:

- **June 2017** - failing to issue all active benefit statements by 31 August 2017. However, all statements for deferred members were issued by the deadline, along with approximately 4,300 statements for active members. An action plan agreed with Equiniti, and the remaining 2,400 statements to be issued by mid-October, and we will continue dialogue with tPR on progress.
 - tPR did not impose a fine providing statements issued by agreed extended deadline.
- **November 2017** - failing to issue remaining active benefit statements by mid-October, after extended deadline had been agreed with the Regulator. A batch of 783 were sent early October, the remaining 1,600 records had insufficient data to produce a statement. Action plan was agreed to clear the data queries and a commitment to issue the outstanding statements by 31 December 2017.
 - tPR did not impose a fine providing statements issued by agreed deadline.

- 9.4 At the time of writing (July 2018), work continues on the remaining 1,600 data queries which relate to LB Hackney employees, and good progress has been made with approx 1,200 records being resolved by the in-house pension team. The remaining 400 data queries, are unconfirmed leavers and/or opt-outs and once the correct information has been received from payroll, the record will be corrected and a deferred benefit statement issued.

Ian Williams

Group Director, Finance & Corporate Resources

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Financial Considerations: Michael Honeysett ☎020-8356 3332

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REPORT OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES		
Pension Administration Strategy - draft (PAS) 2019/22 Pensions Board 29th November 2018	Classification Public	Enclosures 1
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 The Local Government Pension Scheme Regulations (2013), Regulation 59, gives Administering Authorities the discretion to issue a Pension Administration Strategy (PAS) following consultation with employers and other interested parties. This report introduces the draft PAS for 2019/22, which has been updated to reflect changes to the Fund's third party administration contract.

2. RECOMMENDATION

- 2.1 Pensions Board is recommended to:
- Note the updated Pension Administration Strategy to be issued for consultation with employers and other interested parties
 - Note the change in the review period of the Pension Administration Strategy from annually to every 3 years, notwithstanding the requirement to review and amend when regulations change

3. RELATED DECISIONS

- 3.1 Previous Pensions Committee meetings 28th March 2018, 21st March 2017, 23rd March 2016, 31st March 2015, 20th March 2014, 27th March 2013, 6th January 2010 and 19th March 2008 for approval of Pension Administration Strategy following consultation.

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 Putting a Pension Administration Strategy in place helps ensure that the role and responsibilities of both the administering authority and employers is clear. It is particularly important that employers are aware of their responsibilities in relation to the Pension Fund to help ensure that the accuracy of Scheme data is maintained and that scheme members have accurate pension records. In addition it ensures that the administration of the pension scheme is efficient, will help to keep costs to a minimum and ensure best practice. Where poor administration on the part of an employer leads to additional costs for administration, there is a mechanism for recouping those additional costs and these are set out in the Pensions Administration Strategy. Whilst these are only charged as a last resort and the costs are not significant in the overall cost of running the scheme, recouping additional charges helps to reinforce the need for employers to fulfil their administration responsibilities.
- 4.2 In addition it should be noted that there is now an enhanced role for the Pensions Regulator in respect of LGPS funds; having accurate data and good administrative practices will help to ensure that the Fund is able to meet the Regulator's requirements for data and avoid undue scrutiny and potentially significant fines.

5. COMMENTS OF THE GROUP DIRECTOR, LEGAL AND GOVERNANCE

- 5.1 The Local Government Pension Scheme Regulations (2013), Regulation 59 states that Administering Authorities may prepare a written statement on their pension administration strategies. It is therefore not a legal requirement to do so; however, it would seem best practice, thereby ensuring that the roles and responsibilities are clearly defined bringing overall benefits to the Fund by improving communication and maintaining good record keeping.
- 5.2 The Regulations require consultation of the draft Strategy, with scheme employers and other interested parties. This paper and the associated Appendix, draft Pension Administration Strategy, follow a review of the previous document demonstrating that the Strategy is being kept under proper review and that appropriate consultation is being undertaken.
- 5.3 There are no immediate legal implications arising from this report.

6. SUMMARY

- 6.1 The London Borough of Hackney acts as the Administering Authority for the London Borough of Hackney Pension Fund and responsibility for the management of the Pension Fund has been delegated to the Pensions Committee.
- 6.2 The Local Government Pension Scheme Regulations 2013 (Regulation 59) give Administering Authorities the discretion to issue a Pension Administration Strategy document, following consultation with Employing Authorities and other interested parties. The Strategy covers areas such as the procedures for communication and liaison with employing authorities, performance levels of both the Administering and Employing Authorities and procedures for pension scheme administration.
- 6.3 In addition, Regulation 59(2)e of the 2013 regulations, allows a Fund to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. The draft Pension Administration Strategy (PAS) 2019/22 clearly sets out the standards expected, and deadlines for the submission of data to the scheme administrators. It also sets out the associated costs of any additional administration the Fund may incur as a result of the unsatisfactory level of performance of a Scheme Employer.
- 6.3 The draft PAS has been updated to include the new service level agreements (SLAs) now in effect following the formal implementation of the new administration contract with Equiniti from 1 July 2018. The new SLAs are detailed on pages 15 to 17 of the draft Strategy, and the scheme objectives and method of measuring the SLAs and Key Performance Indicators (KPIs) are on pages 28 & 29. The Fund's legal requirements are provided on pages 14 & 15, but these cannot be achieved without the co-operation of all the scheme employers. The Fund's failure to achieve any of the legal requirements, could result in substantial penalties from the Pensions Regulator (tPR). Any penalties imposed on the Fund will be passed to the failing employer.
- 6.4 The Administering Authority continues to provide support for scheme employers when dealing with other employment matters, not always directly associated with pension administration. The in-house pension administration team assists employers with individual or large scale redundancy exercises and calculations, ill health retirement and monitoring, admission agreements and school conversion to academy status. Any additional administration charges associated with these tasks are clarified in pages 39 & 40 of the draft PAS.
- 6.5 The draft PAS will be circulated to all employers (including schools) and other interested parties for review and comment by close of business 9th February 2019.

- 6.6 Following consultation and final approval by the Pension Committee in March 2019, the final PAS will be published and circulated to all employers (including schools) and interested parties, to take effect from 1st April 2019, with performance monitored accordingly. The agreed final strategy will also be provided to the Pensions Board for noting, a copy forwarded to the Secretary of State for information in accordance with the Regulations, and a report on the strategy's performance will be included in the Pension Fund Annual Report and Accounts.
- 6.7 The Pensions Committee receives as part of its quarterly reporting, an update on administration performance and key issues that affect the administration of the Scheme. In addition, the Committee and the Pensions Board receive an annual pension administration report which includes the performance of the third party administrator.
- 6.8 Since 1st April 2015, The Pensions Board comprising equal numbers of employer and scheme member representatives, has assisted the Administering Authority in ensuring compliance with the regulations and in particular as this affects the administration of the Pension Fund. The Pensions Board therefore reviews the effectiveness of the Fund's Pension Administration Strategy on an annual basis and also receives reports on the Administration Strategy and its effectiveness.
- 6.9 The PAS will be fully reviewed every 3 years, but will be revised as appropriate following any material changes to regulations and policies. Any material changes or major revisions to the Strategy will be brought back to Committee for review prior to consultation.

List of Appendices

Appendix 1 - London Borough of Hackney Pension Fund, draft Pension Administration Strategy 2019/22

Ian Williams

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**LONDON BOROUGH OF HACKNEY
PENSION FUND**

**PENSION ADMINISTRATION
STRATEGY
2019/22**

**For the Local Government Pension Scheme
(LGPS)**

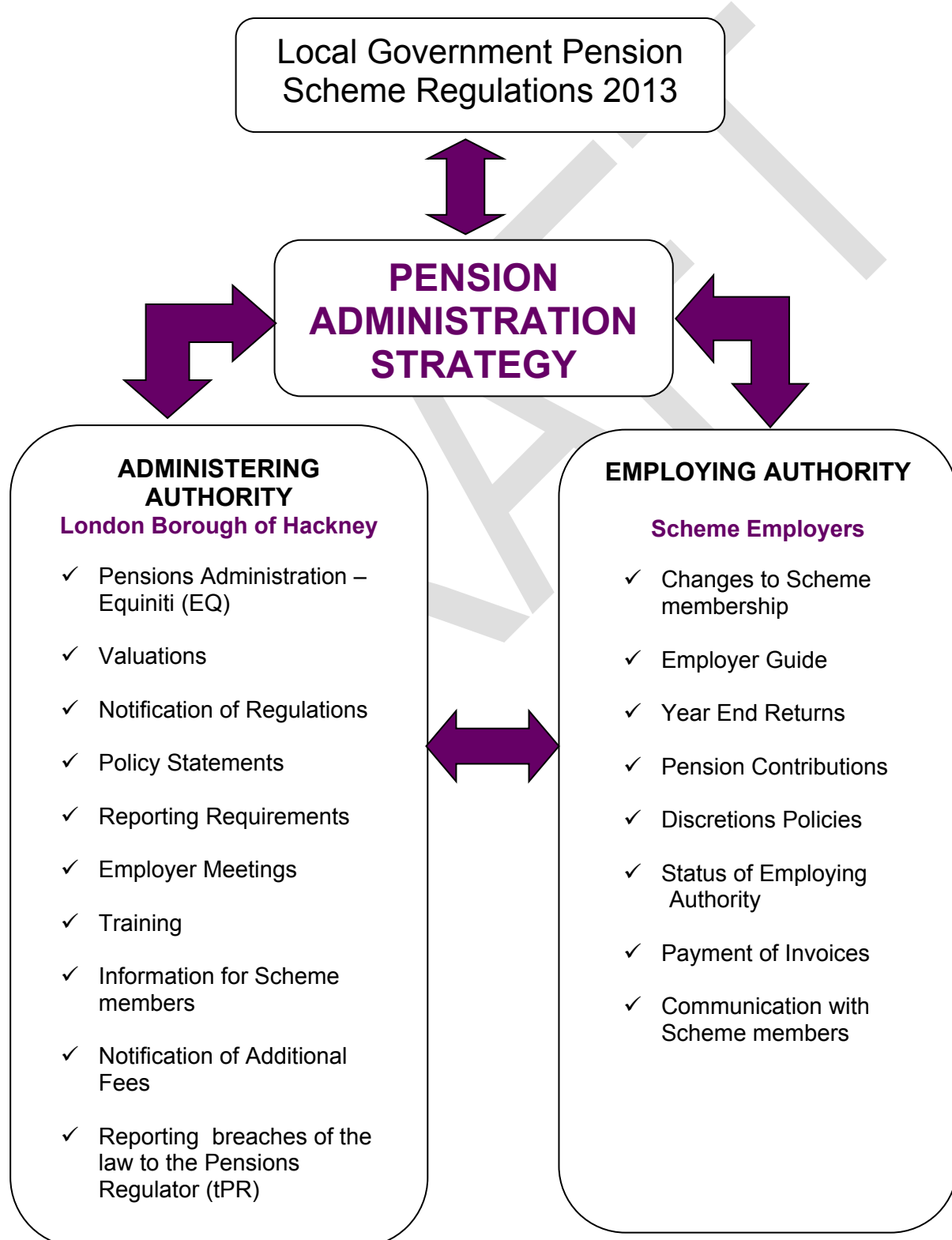


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INTRODUCTION

This is the Administration Strategy Statement of the London Borough of Hackney Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS – the Scheme), which is administered by the London Borough of Hackney (LBH) and Equiniti (EQ). Below is a diagram showing the roles and responsibilities of the parties in the administration of the scheme



Aims and Objectives

The aim of this Pension Administration Strategy is to set out the quality and performance standards expected of the Fund and its scheme employers. The Administration Strategy will assist in clarifying the roles and responsibilities of both the Administering Authority and the Employing Authorities, i.e. those employers who participate in the Pension Fund.

In addition, there are approximately 70 local authority schools that operationally are part of the London Borough of Hackney, but use separate payroll providers. Unless specifically mentioned otherwise, all references in this strategy to employers apply to these local authority schools, and they are required to provide information as if they are separate employers.

Effective and efficient administration of the pension fund is beneficial to all stakeholders in the Pension Fund, the Administering Authority, employers and scheme members. The following are some of the benefits to be had from having efficient pension scheme administration; the list is by no means exhaustive and is not in order of importance.

For the Administering Authority, effective administration means:

- It can fulfil its obligations under the regulations for administering the pension scheme
- Lower costs, improved use of resources
- Easier and swifter provision of services to employers and scheme members
- Improved communication between Administering Authority, employers and scheme members
- Improved monitoring of performance
- Clean data enabling faster and more accurate monitoring of the Pension Fund by the Fund actuaries
- Improved decision making in relation to policies and investments

For Employing Authorities, effective administration means:

- Greater understanding of the Pension Fund and its impact upon them as an employer
- Lower costs
- Improved communication
- Employee satisfaction
- Improved decision making for budgeting
- Fulfilling its obligations as an Employing Authority under the LGPS regulations

For Scheme members, efficient administration means:

- Accurate records of their pension benefits
- Earlier issuance of annual benefit statements
- Faster responses to their pension record queries
- Faster access to benefits at retirement
- Improved communications
- Enhanced understanding of the pension scheme and the benefits of being a member

Setting out the expectations of the Administering Authority and Employing Authorities will help to ensure that both parties are aware of their roles and responsibilities in relation to the administration of the pension scheme. Both employer and administrator are dependent on the other for effectual communication and accurate flows of information without which the pension scheme cannot be administered effectively. The scheme members are reliant on both the employer and the administrator to ensure that their pension records are accurate and that they are well informed.

The Pension Administration Strategy is not meant to supersede existing procedures or policies but to complement them. The Admission Agreement sets out some basic requirements of both the Administering Authority and the employer and the Employer Guide sets out in detail how to carry out day to day administration of the Pension Fund within the employer's site.

The Pensions Administration Strategy has a number of specific objectives, including:

- Deliver an efficient, quality and value for money service to its scheme employers and scheme members
- Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner
- Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function
- Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner
- Set out clear roles and responsibilities for the Council and Equiniti and work together to provide a seamless service to Scheme employers and scheme members
- Continuously review and improve the service provided.

Implementation

The Administration Strategy is effective from 1 April 2019.

Regulatory basis

The Scheme is a statutory scheme, established by an Act of Parliament. The following regulations governing the Scheme are shown below:

- Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- Local Government Pension Scheme (Administration) Regulations 2008 (as amended)
- Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended)
- Local Government Pension Scheme Regulations 2013 (as amended)
- Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2013 (as amended)

Regulation 59(1) of the Local Government Pension Scheme Regulations 2013 enables a Local Government Pension Scheme Fund to prepare a written statement of the authority's policies ("its pension administration strategy") as one of the tools which can help in delivering a high quality administration service to its scheme members and other interested parties.

In addition, Regulation 59(2)e of the 2013 regulations allows a fund to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises the fund is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

DRAFT

ADMINISTRATION IN THE LONDON BOROUGH OF HACKNEY

Responsibility

The London Borough of Hackney has delegated responsibility for the management of the Pension Fund to the Pension Committee. The Pension Committee will monitor the implementation of this Administration Strategy on an annual basis.

In addition the Pensions Board will assist and advise the Administering Authority in ensuring compliance with the Regulations and will receive reports on the Administration Strategy and its effectiveness.

Objective

The Fund's objective in relation to administration is to deliver an efficient, quality and value for money service to its scheme employers and scheme members. Operationally the administration of the Fund is partly outsourced to Equiniti and partly carried out by Council staff.

The Council and Equiniti staff work together to provide a seamless service to scheme employers and scheme members.

Communications

The Fund has published a Communication Strategy Statement, which describes the way the Fund communicates with:-

- scheme members
- members representatives
- prospective members
- scheme employers
- other stakeholders/interested parties

The latest version of the Communication Strategy Statement can be obtained from the Fund website:- <http://hackney.xpmemberservices.com>

The table below summarises the current methods the Fund uses to communicate:

Method of Communication	Communication material
Website http://hackney.xpmemberservices.com	Information about the Fund, the LGPS, administrative procedures, policies and forms for use
Newsletters	Annual newsletter and additional newsletters issued as may be necessary to highlight new issues and forthcoming events

Employer meetings	Held annually to provide Employers with a forum to address the Fund's staff and advisers
Pensions helplines:- Equiniti London Borough of Hackney Pensions Administration Team	01293 603 085 020 8356 2521
E-mail addresses: For the Equiniti team: Hackney.pensions@equiniti.com For the London Borough of Hackney team: pensions@hackney.gov.uk	To answer day to day questions about administering the Scheme
Individual Employer meetings	Offered to Employers who need advice about how to carry out the day to day administration of the Scheme
Annual Benefit Statements	Sent to active and deferred scheme members
Individual Scheme member meetings	1-2-1 meetings available with a member of the Pensions team as required
Pension Presentations	Presentations to staff, managers, new employees, etc. on pension related matters

Training and Engagement

The objectives of the Fund have always been to keep stakeholders informed of new developments by sending emails and newsletters, and by providing free training, forums and workshops for Employers when new Regulations are implemented or are under consideration. Additionally free training is offered on an ongoing basis to new scheme employers or relevant new HR/Payroll staff.

It is important that Employers ensure that their staff have the right level of skills and knowledge to support any changes, starting with a sound foundation of existing regulations

and administrative processes. There is an ongoing need to continuously maintain the quality of member records and the administrative processes by improving the quality of information received from Employers.

The aims of this approach are therefore:-

- To maintain a high standard of customer service for members and Employers
- To ensure that relevant staff within each Employer have sufficient knowledge and skills to effectively discharge administrative processes
- To ensure that Employers are fully aware of the risks involved in poor administration and maintenance of member pension records and if they fail to discharge of their discretionary functions
- To provide ongoing training on relevant employer responsibilities
- To support the implementation of new technology within the Fund to enable self-service for the Employer and streamlined administration

To achieve this, the Fund will:-

- Work with Employers' Human Resources, Payroll and other staff to help develop relevant skills and knowledge by providing appropriate assistance, guidance and training
- Organise free workshops and forums for Employers to debate new issues as they emerge

This strategy will ensure that Employers have a common understanding of their obligations under the Local Government Pension Scheme, and that administrative processes are designed to maximise efficiency and effectively manage risk.

The Fund will provide free training for Employers' relevant staff, to build up and maintain a level of professional expertise which will enable Employers to deliver information required by the Fund to efficiently administer the Scheme.

PERFORMANCE STANDARDS

The Scheme prescribes that certain decisions be taken by either the Fund or the scheme employer, in relation to the rights and entitlements of individual scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Fund has agreed levels of performance between itself and scheme employers which are set out below:

Overriding legislation

Scheme employers will, as a minimum, comply with overriding legislation, including:

- Local Government Pension Scheme Regulations
- Pensions Acts 2004 & 2011 and associated disclosure legislation
- Public Service Pensions Act 2013 and associated record keeping legislation
- Freedom of Information Act 2000
- Equality Act 2010
- Data Protection Act 2003/GDRP legislation effective from 25 May 2018
- Finance Act 2013
- Relevant Health and Safety legislation
- Any other legislation that may apply at the current time

Internal quality standards

The Fund and scheme employers will ensure that all functions and tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the Employers' Guide
- all information required by the Fund to be provided in the required format and/or on the appropriate forms referred to in the Employers' Guide which are accessible from the Fund website at <http://hackney.xpmemberservices.com>
- information to be legible and accurate
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately qualified member of staff
- information provided to be authorised by an appropriate officer
- actions are carried out, or information provided, within the timescales set out in this Administration Strategy.

Timeliness

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Scheme. The Scheme itself sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies. The following sections on responsibilities set out the locally agreed timescales for these requirements.

FUND RESPONSIBILITIES

The London Borough of Hackney is the Administering Authority of the London Borough of Hackney Pension Fund and has delegated powers to the Pensions Committee to oversee the management of the Pension Fund. The role of the Administering Authority is to administer the Pension Fund and act as a quasi-trustee body for the management of the Pension Fund.

The Pensions Board comprising equal numbers of employer and scheme member representatives will assist the Administering Authority in ensuring compliance with the regulations and in particular as this affects the administration of the Pension Fund and will therefore review the effectiveness of the Fund's Pension Administration Strategy on an annual basis.

This section outlines the key responsibilities of the Fund and the performance standards scheme employers and scheme members should expect. It is focussed on the key activities which scheme employers and scheme members are involved in and should not be viewed as a complete list of all activities. It includes the performance standards that the Administering Authority has agreed with the pension administrators, Equiniti (EQ).

Administering Authority Fund Administration

pensions@hackney

This section details the functions which relate to the **whole Fund**, rather than individual scheme members' benefits.

Task/Function	Standard
Pension Administration Strategy - PAS	Consult with employers following any significant revisions to the Administration Strategy Publish agreed Strategy within 2 months of being agreed by the Pensions Committee
Member Scheme Guide to the LGPS Employers' Guide to the LGPS	Update & publish within 30 working days from any significant revision.
Pension forms	Update & publish within 30 working days from any significant revision.
Scheme Employers' meeting	Annually

Task/Function	Standard
Training sessions for scheme employers.	Upon request from scheme employers, or as required.
Changes to the scheme rules.	Notify employers within 2 months of the change(s) coming into effect.
Employer's unsatisfactory performance.	As soon as a performance issue becomes apparent.
Recovery of additional administration costs - associated with the scheme employer's unsatisfactory performance (including any interest that may be due).	Within 10 working days of scheme employer's failure to improve performance, as agreed.
Annual Benefit Statements to active and deferred members	To be issued no later than 5 months after the end of the Scheme year to which it relates.
Valuation results (including individual employer details).	10 working days from receipt of results from the Fund's actuary (but in any event no later than 31 March following the valuation date).
Cessation valuation exercises – on cessation of admission agreements or a scheme employer ceasing participation in the Fund.	Upon each cessation or occasion where a scheme employer ceases participation on the Fund.
Arrange for calculation of FRS102 (valuations for employers as required)	Issue results within 10 working days from receipt from the Fund's actuary
Admission Agreements for new scheme employers, where required (including the allocation of assets and notification to the Secretary of State).	Within 3 months of employer entry to the scheme

Task/Function	Standard
Governance Policy and Compliance Statement.	Publish within 30 working days of policy being agreed by the Pensions Committee.
Funding Strategy Statement – FSS reviewed at each triennial valuation, following consultation with scheme employers and the Fund's actuary	Revised statement to be published at the same time as the final valuation report is issued.
Annual Report and Accounts – R&A (and any report from the auditor)	By 30 September following the year end or following the issue of the auditor's opinion
Communications Policy Statement.	Publish within 30 working days of policy being agreed by the Pensions Committee
Statement of Investment Principles - SIP	Publish within 30 working days of policy being agreed by the Pensions Committee
Administering Authority Discretions Policies	Publish within 30 working days of policy being agreed by the Pensions Committee
Statutory auto-enrolment communications Agree with integrated bodies (e.g. maintained & VA schools) the arrangements for each 3 year auto-enrolment cycle, and provide written confirmation of those arrangements.	No less than 6 weeks prior to the staging date

SCHEME ADMINISTRATOR RESPONSIBILITIES

Provider - Equiniti



The Fund's third party administrators, Equiniti (EQ), assist with the overall administration of the scheme and to ensure the smooth operation of the administrative function.

Equiniti can be contacted via their helpline number - 01293 603 085

or by email: – hackney.employers@equiniti.com

As a Fund, there are certain administrative functions that, under the LGPS Regulations, are legal requirements and must be processed within set timeframes. If scheme employers do not provide the requested data correctly, in the right format and within the timescales requested by the administrators, the Fund cannot meet its legal obligations and may be liable to penalty fines imposed by the Pension Regulator (tPR).

The administrators and the Fund are therefore reliant on employers providing the data in order to correctly administer the scheme and fulfil its legal duties as listed below:

Process	Legal Requirement
To process new member information e.g. creating a pension account record	Provide information about the scheme within: <ul style="list-style-type: none">• 2 months from date of joining where scheme member information has been received or• 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled.
To provide transfer value information	3 months from date of request
To inform members who leave the scheme of their deferred benefit entitlement	As soon as is practicable, and no more than 2 months from date of initial notification (from employer or scheme member)
To notify the amount of retirement benefits and payment of tax free cash sum	1 month from date of retirement if on or after Normal Pension Age 2 months from date of retirement if before Normal Pension Age
To notify dependant(s) of the amount of death benefits	As soon as possible but in any event no more than 2 months from date of becoming aware of the death, or from date of request
Provide annual benefit	31 st August in the same calendar year

statements to active and deferred members	
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Service Standards Agreement - SLAs

In order to meet the legal requirements of the LGPS, the Fund as implemented a number of operational Service Standards in relation to the administration services provided by Equiniti: -

- All Service Standards are quoted in working days unless otherwise indicated.

Note – these Service Standards are only achievable with the cooperation of all scheme employers and by providing the correct data & information when requested:

Category	Process	Service Standard
Retirements	Overall case target to later of payment of lump sum and notification of final benefits	95% within 20 days from date of retirement
	Notify members of benefits that may be payable	95% within 5 days
	Notification of final benefits and payment of lump sum (both to be completed in timescale)	95% within 3 days
	First pension payment	98% within 40 days
Death of a Member	Issue letter requesting any information required to verify entitlement to benefits	95% within 1 day
	Notification of benefits due and payment of lump sum death benefit (both to be completed in timescale)	95% within 3 days
	First survivor pension payment(s)	98% within 40 days
New Joiners main scheme & 50/50 scheme	New Joiner - apply for any transfer value details from a previous fund or scheme	95% within 5 days
	New joiner - Issue a notice to member confirming details relating to their admittance.	95% within 5 days
	50/50 scheme - Notify member when 50/50 membership commences or	95% within 10 days

	ceases	
Estimates or Quotes	Estimates or quotations of benefits	95% within 10 days
Transfer In	LGPS and non-LGPS – Request details from previous pension arrangements	95% within 5 days
	LGPS and non-LGPS – Calculate and provide quotation service credit to member	95% within 10 days
	LGPS and non-LGPS – Request payment of transfer	95% within 5 days
	LGPS and non-LGPS – Notify the member of the benefits awarded	95% within 10 days
Transfer Out	LGPS and non-LGPS – Provide transfer value details/information pack to new provider and/or scheme member as appropriate	95% within 10 days
	LGPS and non-LGPS – Pay transfer value	95% within 10 days
	LGPS and non-LGPS – Notify pension provider that payment has been made	95% within 5 days of transfer value is paid
Pension Sharing Orders	Carry out calculation and provide information to scheme member/solicitor	95% within 5 days
	Calculate and notify final pension debit	95% within 5 days
	Calculate and notify final pension credit	95% within 5 days
Retirements	Notify members of benefits that may be payable	95% within 5 days
	Notification of final benefits and payment of lump sum (both to be completed in timescale)	95% within 5 days
	First pension payment	98% within 40 days
Leavers	Write to scheme member with options	95% within 10 days
Leaver Refunds	Calculate and pay refund of	95% within 10 days

	contributions	
	Write to scheme member in advance of payment due date	95% 2 months in advance
Additional Contributions & Benefits	Providing information to members regarding paying or changing additional contributions (including AVCs) on request	95% within 10 days
	Absence Contributions – providing information to members on return from absence	95% within 10 days
	Action a request to pay additional contributions (including AVCs)	95% within 10 days
Annual Benefit Statements	Provide annual benefit statements to active and deferred members	31 st August in the same calendar year

SCHEME EMPLOYER RESPONSIBILITIES

This section outlines the responsibilities of all scheme employers in the Fund and the performance standards scheme employers are expected to meet to enable the Fund to deliver an efficient, quality and value for money service.

External providers

Scheme employers must ensure that appropriate record-keeping is maintained and where they outsource their payroll, HR or pension administration functions to a third party, the legal responsibility for the provision of pension data to the Administering Authority or the third party pension administrator, lies with the Scheme employer and not the third party.

Any external service providers with responsibility for carrying out any functions relating to the administration of the Local Government Pension Scheme must be made aware of the standards that are to be met.

Scheme employers must therefore ensure, as part of any contract entered into with a third party, that the third party has sufficiently robust processes in place to fulfil the statutory duties of the Scheme and the performance levels set out in the Pension Administration Strategy.

All information must be provided in the format prescribed by the Fund and within the prescribed timescales. Information and guidance is provided in the Employers' Guide which is available from the funds web site <http://hackney.xpmemberservices.com>

Employer Responsibilities

This section details the functions, **some of which are statutory**, and relate to scheme employers' responsibilities and tasks:

Task/Function	Performance Target
Nominated Representative To receive information from the Fund and to take responsibility for disseminating it within the organisation. Ensure the Fund is kept up to date with any change to the nominated representative.	Notify the Fund within 30 working days of employer joining fund, or change to nominated representative.
Employer Discretions Policy Formulate, publish and update (as necessary) in relation to all areas where the employer may exercise a discretion within the LGPS Regulations. A copy of the Employer Discretions Policy must be provided to the Fund.	Provide a copy to the Fund within 30 working days of the policy being agreed <i>Failure to provide the Fund with a copy of your policies could impact on the release/payment of individuals' benefits.</i>

Task/Function	Performance Target
Enquiries & Data queries From the Fund	Respond to the Fund/administrators within 10 working days from receipt of enquiry.
Contributions – Employer & Employee Paid monthly to the Fund and to provide schedule of payments in the correct format stipulated by the Fund.	Cleared funds to be received by/on 19th calendar day of the month following the deduction. <i>Failure to provide the Fund/Administrators with a schedule of contributions including additional pension payments – added years, ARCs, APCs, and AVCs - by the target date, and/or not in the correct format stipulated by the Fund, could result in additional administration costs being levied against you.</i>
<p>IMPORTANT NOTE</p> <p>Late payment of pension contributions by Scheme employers is a serious offence and the Pensions Regulator or the Pensions Ombudsman has significant powers of sanction.</p> <p>Scheme managers must report payment failures which are likely to be of material significance to the Pensions Regulator within a reasonable period, in the case of employee contributions; and as soon as reasonably practicable in the case of employer contributions</p> <p>The Pensions Regulator can impose fines of up to £50,000 for each instance of persistent offence. Recent changes to the Pensions Act have made it easier to prosecute employers for late payment of contributions.</p> <p>Any fines imposed on the Fund by the Regulator, which is deemed to be the fault of an Employer, will be passed on to that Employer</p>	
Changes to employer contribution rates (as instructed by the Fund) <i>Note - Employer contributions are expressed as a percentage of pensionable pay and are payable at such rate(s) as may be advised by London Borough of Hackney Pension Fund following the completion of each triennial actuarial valuation of the pension fund.</i>	At date specified on the actuarial advice received by the Fund.

Task/Function	Performance Target
Year end Reports Required by the Fund in the format stipulated to your nominated representative in March each year.	Provide to the Administrators by 30 April following the year end.
Additional Data & Information Requests May be requested by the Fund for the production of the annual benefit statements in each year	Respond to the Fund/administrators within 10 working days of receipt of the request from the Fund
Data Errors Following validation by the Fund, errors may be found in the contribution and/or year end information - corrective action may need to be taken promptly.	Respond fully to the Fund/administrators within 10 working days of receipt of the request from the Fund
Auto-enrolment – monthly assessment Ensure that any staff who are not already scheme members are assessed according to their age and earnings.	Assessment to be made according to pay periods (e.g. staff paid monthly should be monitored on a monthly basis)
Auto-enrolment within statutory deadlines Ensure that any staff who are not scheme members and become an Eligible Jobholder and none of the statutory exceptions apply, are enrolled into the LGPS.	With effect from the employee's auto-enrolment date Employers must provide the Fund/Administrators with their monthly AE reports 1 month following the month of enrolment
Auto-enrolment communications Where employers are providing their own Automatic Enrolment communications, they must ensure that any staff affected by AE (including new starters) are provided with the necessary AE information within statutory deadlines	Within 6 weeks of the date they become eligible for automatic enrolment
Auto-enrolment communications – if provided by the Fund Where auto-enrolment (AE) communications are provided by the Fund	Employers must provide the Fund with their monthly AE reports within 5 working days of your own payroll date

Task/Function	Performance Target
Contracting out services Involving a TUPE transfer of staff to another organisation.	Contact the Fund at the very beginning of the tender process so that important pension information can be provided for inclusion in the tender documentation.
Admission Agreements To be put in place for new employers admitted to the Fund following the when contracting out a service	Provide to new Employers within 3 months of joining the scheme
Pension information Provided by the Fund is to be distributed to scheme members/potential scheme members	Provide to members within 15 working days of receipt of the information or on the member joining the scheme
Starter form and a Member Scheme Guide Provided to new/prospective scheme or refer them to the Fund website.	Provide to member within 5 working days of commencement of employment or change in contractual conditions.
Additional fund payments In relation to early payment of benefits where a strain cost applies	Paid within 30 working days of receipt of invoice from the Fund.
Additional administration costs Paid to the Fund associated with the poor performance of the scheme employer.	Paid within 30 working days of receipt of invoice from the Fund.

Scheme Administration - Forms

This section details the **employer responsibilities** and tasks which relate to member benefits from the Scheme.

Task/Function	Performance Target
Contractual Enrolment To ensure that all employees are brought in to the Scheme from their employment start date.	

<p>Starter forms Complete a starter form for each new employee admitted to the pension scheme and ensure that the employee completes their element of the process.</p> <p>More than one contract of employment Each contract must have its own starter form as each employment and pension membership must be maintained separately under the Regulations.</p>	<p>Provide Administrators with copy of the Starter form(s) within 15 working days of the employee's employment start date</p>
<p>Employee contribution rate Applied in accordance with the LGPS contribution bandings based on actual pensionable pay – including overtime/bonuses etc.</p>	<p>Immediately upon commencing scheme membership and in line with the employer's policy and as a minimum in each April payroll thereafter.</p>
<p>Main Scheme or 50/50 Scheme contributions To apply the correct employee contribution rate according to actual pensionable pay of the member & in accordance to rates for main scheme or 50/50</p> <p>To reassess employee contribution rate in line with employer's policy on adjusting employee contribution rates and notify the employee of their change in rate.</p>	<p>Review as per employer's own Employee Contribution Policy and effect a change in rate if necessary – ie a move from the main scheme to the 50/50 section of the scheme, or vice-versa</p>
<p>Election to join 50/50 section Member election form completed & signed – move member to 50/50 scheme & amend employee contributions only NOTE – Employer continues to pay FULL rate contributions</p> <p>OR</p> <p>Election to re-join Main scheme Member election form completed & signed – move member to main scheme & amend employee contributions only</p>	<p>Reduce employee contributions the month following month of election, or such later date specified by the scheme member.</p> <p>Provide Administrators with copy of Election to join the 50/50 section form within 1 month following month of election</p> <p>Increase employee contributions the month following month of election, or such later date specified by the scheme member.</p> <p>Provide Administrators with copy of Re-join Main Scheme Election form within 1 month following month of election</p>

Task/Function	Performance Target
<p>Commencing Additional Pension Contributions - APC After receipt of the completed & signed form from the member, commence deduction or amend such deductions, as appropriate.</p>	<p>Month following election to pay contributions or notification received from the Fund</p> <p>Provide Administrators with copy of the APC agreement form within 1 month of first contribution paid.</p>
<p>Ceasing deduction of :- Added Years Contracts Additional Regular Contributions - ARC Additional Pension Contributions - APC After receipt of the completed and signed forms from the member</p>	<p>Immediately following receipt of election form from scheme member</p> <p>Provide Administrators with copy of cessation form/notification within 1 month of ceased payments</p>
<p>AVC – Additional Voluntary Contributions Arrange for the deduction of AVCs via your payroll provider and the payment over of contributions to the approved AVC provider(s)</p>	<p>Commence deduction of AVCs in month of the member's election – provide Administrators with copy of AVC member form in the month of member's election</p> <p>Pay over contributions to the AVC provider(s) on/by the 19th of the month the deduction was made in</p>
<p>IMPORTANT NOTE</p> <p>Monthly AVC deductions should be paid directly to the AVC provider (Prudential) as soon as the payrolls are processed. A schedule must be sent with the payment, giving details of all contributions paid over to Prudential which must reach Prudential by the 19th day of the month following the month they were deducted.</p> <p>Scheme managers must report payment failures which are likely to be of material significance to the Pensions Regulator within a reasonable period, in the case of employee contributions; and as soon as reasonably practicable in the case of employer contributions</p> <p>Failure to do so is in breach of legislation and may be reported to the Pensions Regulator. Any fines imposed on the Fund by the Regulator, which is deemed to be the fault of an Employer, will be passed on to that Employer</p>	
<p>Opt outs Member to complete the appropriate form – employer to provide copy of the form to the Fund</p>	<p>To cease contributions the month following month of election, or such later date specified by the scheme member.</p> <p>Provide copy of Opt out form to the Administrators within 1 month following month of election to opt out</p>

Task/Function	Performance Target
<p>Opt outs – within 3 months of start date Refund employee contributions via your own payroll - where the member has opted out of the Scheme within 3 months and does not have previous LGPS membership.</p>	<p>Refund to be made in the month following the month of election to opt out.</p> <p>Refunds are to be included in the monthly contribution data to the Administrators</p>
<p>Contractual changes to conditions of service:</p> <ul style="list-style-type: none"> • contractual hours • actual pay – including overtime • remuneration changes due to promotion or re-grade • honorariums 	<p>Provide copy of Change of Details form the Administrators within 20 working days of change.</p>
<p>Changes in member's personal circumstances:</p> <ul style="list-style-type: none"> • marital or civil partnership status • change of name • national insurance number 	<p>Immediately inform the Administrators following notification by the scheme member of a change in circumstances</p>
<p>Assume Pensionable Pay – APP Periods of reduced pay or nil pay as a result of:</p> <ul style="list-style-type: none"> • sickness • injury • or relevant child related leave, includes – ordinary maternity, paternity or adoption leave; paid shared parental leave; any additional maternity or adoption leave <p>Employer must apply Assumed Pensionable Pay (APP) for pension purposes. Both employee and employer contributions must be deducted against the amount of APP</p>	<p>Employers must notify the Administrators of the date the reduction is effective from for sickness or injury OR the date from which the relevant child related leave began.</p> <p>Provide the appropriate absence form to the Administrators within 20 working days of effective date.</p>

Task/Function	Performance Target
<p>Periods of reduced pay or nil pay as a result of:</p> <ul style="list-style-type: none"> unpaid additional maternity, paternity or adoption leave unpaid shared parental leave <p>taken at the end of the relevant child related leave.</p>	<p>This is treated as unpaid leave for pension purposes - Assumed Pensionable Pay (APP) does NOT apply.</p> <p>Provide the appropriate absence form to the Administrators within 20 working days of effective date</p>
<p>Periods of reduced pay or nil pay as a result of:</p> <ul style="list-style-type: none"> authorised/unauthorised unpaid leave of absence (sabbatical etc) industrial action 	<p>This is treated as unpaid leave for pension purposes - Assumed Pensionable Pay (APP) does NOT apply.</p> <p>Provide the appropriate absence form to the Administrators within 20 working days of effective date</p>
<p>Leavers – leaving your employment The leaver form must include an accurate assessment of their final pay.</p>	<p>Provide the Administrators with a completed leaver form within 15 working days of month end of leaving.</p> <p>Revised pay details can be submitted to the Administrators on an amended leaver form if they differ from the initial notification</p>
<p>Retiring – normal retirement from your employment The leaver form must including an accurate assessment of their final pay.</p> <p>You must also provide the authorisation form, stating the reason for retirement, signed by the employer as agreement to meet any associated costs with the retirement.</p>	<p>Provide the leaver form to the Administrators within 15 working days before the member retires</p> <p>Revised pay details can be submitted to the Administrators on an amended leaver form if they differ from the initial notification</p>
<p>Death of a scheme member</p> <p>OR</p> <p>Member is suffering from a potentially terminal illness</p>	<p>Notify the Administrators who will then ensure next of kin details are held and any benefits due are paid in accordance with the members' wishes, if appropriate</p> <p>As soon as practicable, but within 5 working days of members death</p>

Task/Function	Performance Target
<p>Ill Health Retirement applications Employer to appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine, in order to consider all ill health retirement applications</p>	<p>Notify the Administrators within 1 month of commencing participation in the scheme, or date of resignation of existing medical adviser</p>
<p>Ill Health Retirement decisions The Employer must determine, based on medical opinion from your IRMP (and assistance from the Administering Authority, if required), whether ill health retirement benefits are to be awarded and to determine which tier of benefits are to be awarded e.g. Tier 1, 2 or 3.</p>	<p>To make the decision within 1 month of receipt of the IRMP report</p> <p>Provide the Administrators with the ill health retirement declaration form & completed leaver form with 5 working days of the employers final determination and agreed last day of service for the member</p> <p><i>Refer to page 39 – ill health retirements & tier 3 awards – if you require any assistance</i></p>
<p>Ill Health Retirements – Tier 3 awards Employers must keep a record of all Tier 3 ill health retirements, & undertake a review once the pension has been in payment for 18mths to assess if the former employee is gainfully employed & payments are to cease and to arrange subsequent appointments with the IRMP to assess whether an increase in benefits is applicable.</p>	<p>Notify the Administrators within 5 working days of the review being completed in accordance with the LGPS regulations, by providing all necessary paperwork for the Administrators to either continue or cease payments, or to increase the level of benefits to be paid.</p> <p><i>Refer to page 39 – ill health retirements & tier 3 awards – if you require any assistance</i></p>

MONITORING PERFORMANCE AND COMPLIANCE

Ensuring compliance with the Scheme regulations and this Administration Strategy is the responsibility of the Fund **and** Scheme Employers. We will work closely with all Scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation or in this Administration Strategy.

This section describes the ways in which performance and compliance will be monitored.

The Pension Board, the National Scheme Advisory Board & the Pensions Regulator (tPR)

The Public Service Pensions Act 2013 established the requirement for local Pension Boards in the LGPS with responsibility for assisting the Administering Authority in relation to the following:

- Securing compliance with the scheme regulations
- Ensuring the effective and efficient governance and administration of the scheme
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Such other matters as the LGPS regulations may specify.

As a result the Local Pension Board of the London Borough of Hackney Pension Fund was established from 1 April 2015. A key aim of the Pension Board is to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process.

In addition, the Pensions Regulator's remit was extended to include the public sector, and a national Scheme Advisory Board was created. The Administering Authority and scheme employers are expected to fully comply with any guidance produced by the Scheme Advisory Board and the Pensions Regulator. Any recommendations made by any of these entities will be considered by the Administering Authority, and where appropriate duly implemented (following discussions with employers where necessary).

Audit

The Fund is subject to an annual external audit of the accounts and, by extension the processes employed in calculating the figures for the accounts, by KPMG. The key findings of their work are presented to the Pensions Committee in an Annual Governance Report and the Fund is set an action plan of recommendations to implement.

In addition the Fund is subject to internal audits by the Council of its processes and internal controls. Any subsequent recommendations made are considered by the Fund and where appropriate duly implemented (following discussions with scheme employers where necessary).

Performance monitoring

The Fund monitors Equiniti's performance against the agreed contract and Service Level Agreements (SLAs). Monthly Service Review Meetings (SRM) are held where work received/completed and SLAs are discussed and Equiniti are asked to explain any variations from the SLAs and Key Performance Indicators (KPIs).

Measuring the Fund against the administration objectives

Objectives	Measurements
Deliver an efficient, quality and value for money service to its scheme employers and scheme members	<p>Service standards achieved in 95% of cases (100% for legal requirements)</p> <p>Customer Satisfaction Surveys with scheme employers and scheme members achieving 95% of scores in positive responses in these areas</p> <p>Positive scheme employer feedback with minimal or no employer complaints</p> <p>Positive scheme member feedback with minimal or no member complaints</p>
Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner	<p>Positive results in internal and external audits and other means of oversight/scrutiny.</p> <p>Performance target achieved for collection of contributions by 19th day of the month following the deduction</p> <p>Minimal issues against the Fund identified by Internal Dispute Resolution Procedures and complaints</p>
Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function	<p>Customer Satisfaction Surveys with scheme employers achieving 95% of scores in positive responses in these areas</p> <p>Issues included in formal improvement notices issued to scheme employers resolved in accordance with plan</p> <p>Notify scheme employers of changes to the scheme rules within 2 months of change</p> <p>Offer/organise training sessions for new scheme employers and relevant new staff in scheme employers within 2 weeks of new</p>

	<p>employer/staff starting</p> <p>Organise training for employers where unsatisfactory performance and escalate within 1 month if not attended training or improvements not evident</p> <p>Employer responsibilities in relation to administration are regularly communicated to employers</p>
Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner	<p>No breaches of data security protocols</p> <p>Annual data checks (including ongoing reconciliations) resulting in few issues that are all resolved within 2 months</p> <p>Positive results in audit and other means of oversight/scrutiny</p>
Set out clear roles and responsibilities for the Council and Equiniti and work together to provide a seamless service to Scheme employers and scheme members	<p>Monthly monitoring of Equiniti where Fund asks them to explain variations from agreed Service Level Agreement targets</p> <p>The Fund specifies clear service standards with Equiniti</p>
Continuously review and improve the service provided	<p>Achieve continual improvement in member engagement with our online tools</p> <p>Monitoring of the performance standards used to inform the service going forward</p> <p>Use feedback from scheme employers on the service to develop plans</p> <p>Fund work with Equiniti on programme of continuous improvement to the service</p>

Key Risks

The key risks to the delivery of this Strategy are outlined below. Fund officers will work with the Pensions Committee and Pension Board in monitoring these and other key risks and consider how to respond to them.

- Significant external factors, such as national change, impacting on workload
- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members

- Inadequate performance of Equiniti against service standards
- Increase in the number of employing bodies causes strain on day to day delivery
- Incorrect calculation of members' benefits, resulting in inaccurate costs
- Employer's failure to provide accurate and timely information resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payment
- Failure to administer the scheme in line with regulations. This may relate to delays in enhancement to software or regulation guidance
- Failure to maintain records adequately resulting in inaccurate data
- Unable to deliver an efficient service to pension members due to system unavailability or failure.

Feedback from employers

Employers who wish to provide feedback on the performance of the Fund against the standards in this Administration Strategy should e-mail comments to the following address: pensions@hackney.gov.uk . This will be acknowledged within 5 working days and an investigation of the matter will then be undertaken. Following the investigation a response will be provided to the scheme employer within 15 working days of the initial acknowledgment.

Annual report on the strategy

The Scheme regulations require the Fund to undertake a formal review of performance against the Administration Strategy on an annual basis. This report details the performance of the pension administrators and the Fund's Employers. It is presented to Pensions Committee, Pensions Board and is included within the Pension Fund Annual Report and Accounts.

Background

Section 17 and Schedule 4 of the Public Service Pensions Act 2013 extended the role of the Pensions Regulator to include public sector pension schemes including the Local Government Pension Scheme (LGPS) from 1 April 2015. With regard to the LGPS, the Pensions Regulator now has responsibilities in relation to governance and particularly administration.

Schedule 4 of the Public Service Pensions Act 2013 requires the Pensions Regulator to issue a Code of Practice or Codes of Practice in respect of certain specified matters. In response to this requirement, the Pensions Regulator Code of Practice No 14 **“Governance and administration of public service pension schemes”** which came into effect from 1 April 2015.

This Code of Practice is applicable both to the Pension Fund and the individual Employers within the Fund.

Code of Practice No 14 Governance and Administration of Public Service Pension Schemes

Code of Practice No 14 covers the following:-

Governing your scheme

- Knowledge and understanding required by pension board members
- Conflicts of interest and representation
- Publishing information about schemes

Managing risks

- Internal Controls

Administration

- Scheme record-keeping
- Maintaining contributions
- Providing information to members

Resolving issues

- Internal dispute resolution
- Reporting breaches of the law

It is crucial that all Employers within the London Borough of Hackney Pension Fund are aware of, and comply with, the legal requirements and standards covered in the Code.

Failures by an Employer to fulfil legal requirements and follow the expected standards within the Code may result in that Employer (rather than the Pension Fund) being subject to legal enforcement action by the Pensions Regulator.

Sections that have particular relevance for Employers in the Fund are Administration and Resolving Issues

Administration

Scheme record-keeping

Key points

- The Scheme should work with employers to ensure they understand what information they're required to provide and when they need to do this.
- The Scheme should work with participating employers to seek to ensure they understand the key events and information they need to provide, and have processes in place to provide timely and accurate data.
- If an employer fails to provide the required information (meaning that they and/or the Scheme Manager may not be complying with legal requirements), the Scheme should consider whether to report the breach to the Pensions Regulator (tPR).

Schemes require participating employers to provide them with timely and accurate data in order for the scheme manager to be able to fulfil their legal obligations. Schemes should seek to ensure that employers understand the main events which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee:

- joins or leaves the scheme
- changes their rate of contributions
- changes their name, address or salary
- changes their member status, and
- transfers employment between scheme employers.

If any Employer fails persistently to act according to the procedures set out in this Pension Administration Strategy, meaning that they and/or the Fund may not be complying with legal requirements, the Fund will assess whether there has been a relevant breach and take action as necessary to report breaches of the law to the Regulator under Section 70 of the Pensions Act 2004.

Maintaining contributions

Reporting payment failures

The Scheme must report payment failures that are likely to be of 'material significance' to the Pensions Regulator (tPR) as soon as possible – usually within 10 working days.

A late payment is likely to be of material significance where it was caused by:

- the employer not being willing or able to pay contributions
- possible dishonesty or misuse of assets or contributions
- fraudulent evasion of the duty to pay contributions

- the employer having inadequate procedures or systems in place to ensure the correct and timely payment of contributions due, for example where there are repetitive and regular payment failures,
- contributions having been outstanding for more than 90 days

If any Employer has 5 or more repetitive or regular payment failures in any one financial year, the Fund will deem this as being of 'material significance' and in-line with its legal responsibilities, report this to the Pensions Regulator (tPR). The Employer may then be subject to legal enforcement action by the Pensions Regulator.

Resolving issues

Internal dispute resolution (IDRP)

Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme, they have the right to ask for that matter to be reviewed.

A person has an interest in the scheme if they:

- are a member or surviving non-dependant beneficiary of a deceased member of the scheme
- are a widow, widower, surviving civil partner or surviving dependant of a deceased member of the scheme
- are a prospective member of the scheme
- have ceased to be a member, beneficiary or prospective member or
- claim to be in one of the categories mentioned above and the dispute relates to whether they are such a person.

The Fund has a clear internal disputes resolution procedure (IDRP) set out for members of the LGPS which can be found on the Pension Fund's website:

<http://hackney.xpmemberservices.com>.

All Scheme employers are required to nominate a Stage 1 Adjudicator to deal with disputes at Stage 1 of the process. Scheme employers are asked to supply the details of their Stage 1 Adjudicator as part of their discretionary policy statement and should advise the Fund immediately of changes made in this regard.

Where a Scheme employer is in dispute with a decision or action taken by the Fund, the Fund will in the first instance attempt to resolve the matter internally and may seek an independent senior mediator from within London Borough of Hackney as the Administering Authority to make a final determination. Should this prove to be unsuccessful, a suitable, mutually agreeable and independent third party shall be appointed to determine the outcome of the matter.

POLICY ON THE RECOVERY OF ADDITIONAL ADMINISTRATION COSTS FROM EMPLOYERS

The Scheme regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the Scheme incurred as a result of the unsatisfactory level of performance of that Scheme Employer.

Where a fund wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the Scheme Employer's unsatisfactory level of performance contributed to the additional cost
- The amount of the additional cost incurred
- The basis on how the additional cost was calculated
- The provisions of the Administration Strategy relevant to the decision to give notice.

Circumstances where costs might be recovered

It is the policy of the Fund to recover additional costs incurred in the administration of the Scheme as a direct result of the unsatisfactory level of performance of any scheme employer (including the Council) or third party service provider. This includes the payment of fees levied against the scheme employer.

The circumstances where such additional costs will be recovered from the scheme employer are:

- persistent failure to provide relevant information to the Fund, scheme member or other interested party in accordance with specified performance targets in this Administration Strategy (either as a result of timeliness of delivery or accuracy/quality of information)
- failure to pass relevant information to the scheme member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in this Administration Strategy
- failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales
- instances where the performance of the scheme employer results in fines being levied against the Fund by the Pension Regulator (tPR), Pensions Ombudsman or other regulatory body.

For the avoidance of doubt, "accuracy/quality" in this Strategy is defined as when we have received a completed form, or transfer of information, with no gaps in mandatory areas and with no information which is either contradictory or which we need to query.

Approach to be taken by the Fund

The Fund will seek, at the earliest opportunity, to work closely with scheme employers in identifying any areas of unsatisfactory performance, provide the necessary training and put in place appropriate processes to improve the level of service delivery in the future. Consideration for seeking additional administration costs where persistent failure occurs

and no improvement is demonstrated by a scheme employer would be seen as a failure and will only be taken once the steps described below are taken to resolve the situation:

1. Write to the scheme employer, setting out area(s) of concern and offer training.
2. If no improvement is seen within one month of the training or no response is received to the initial letter, the scheme employer will be asked to attend a meeting with representatives of the Fund to discuss area(s) of concern and to agree an action plan to address them. Where appropriate, the originating employer will be informed and expected to work with the Fund to resolve the issues.
3. If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out the area(s) of concern that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will now be reclaimed.
4. An invoice will then be issued to the scheme employer clearly setting out the calculations of any loss resulting to the Fund, or additional cost, taking account of time and resources in resolving the specific area(s) of unsatisfactory performance, in accordance with the fee scale set out in this document.
5. An annual report will be presented to the Pensions Committee meeting detailing any fees levied against scheme employers and outstanding payments.

Fees for additional administration

The table below sets out the fees which the Fund will levy on a scheme employer whose performance falls short of the standards set out in this document. Each task is referenced to the Employer Responsibilities section. Charging is a last resort and the approach outlined above will be followed before a fee is levied.

Employer Responsibility	Additional Administration Charge
Monthly Contributions Payment Late payment of employee and employer contributions to the administrators by the 19 th calendar day of month following deduction (must be cleared funds by/on 19 th of the month)	£65 plus interest*, calculated on a daily basis until contributions received. <i>*Interest will be charged in accordance with regulation 44 of the LGPS Administration regulations, which states interest should be charged at Bank of England Base Rate plus 1%.</i>
Employer Responsibility	Additional Administration Charge

<p>Monthly Contributions Schedule (HK221)</p> <p>Non-provision of the correct schedule of payments and/or not in the format stipulated by the Fund, accompanying the contributions by the 19th calendar day of month following deduction</p>	<p>£65 per occasion</p>
<p>NOTE - Any fines imposed on the Fund by the Pensions Regulator, in relation to employer, employee and AVC contributions which is deemed to be the fault of the Employer, will be passed on to that Employer</p>	<p>Re-charge amount to be paid within 30 days of receipt</p>
<p>Change Notifications</p> <p>failure to notify the administrators of any change to a members</p> <ul style="list-style-type: none"> - working hours - leave of absence with permission (maternity, paternity, career break) or - leave of absence without permission (strike, absent without permission) - within 20 days of the change in circumstance 	<p>£65 per form, per occasion</p>
<p>Year End Data</p> <p>Failure to provide year end data by 30th April following the year end or the non-provision of year end information or the accuracy/quality of the year end data is poor requiring additional data cleansing</p> <p><i>For the avoidance of doubt “accuracy/quality” in this Strategy is defined as when we have received a completed form or transfer of information with no gaps in mandatory areas and with no information which is either contradictory or which we need to query</i></p>	<p>Late receipt - initial fee of £300</p> <p>then a fee of £150 for every month the information remains outstanding</p> <p>Quality/format of data – fee of £150 should data provided not be in the correct format and/or the quality is poor</p>

Employer Responsibility	Additional Administration Charge
<p>New Starter(s)</p> <p>Failure to notify the administrators of new starter(s) and the late or non-provision of starter form(s) – within 15 days of employee joining the scheme</p>	<p>Initial fee of £65 per form</p> <p>then a fee of £35 per form for each month the form(s) remains outstanding</p>
<p>Automatic Enrolment (AE)</p> <p>Failure to provide the administrators full details of staff affected by Automatic Enrolment on a monthly basis - within 6 weeks of the date they become eligible for automatic enrolment</p> <p>NOTE - Any fines imposed on the Fund by the Pensions Regulator due to failure to provided information for Auto enrolment process, which is deemed to be the fault of the Employer, will be passed on to that Employer</p>	<p>Initial fee of £100</p> <p>then a fee of £50 for every month the information remains outstanding</p> <p>Re-charge amount to be paid within 30 days of receipt</p>
<p>Leaver(s)</p> <p>Failure to notify the administrators of any leaver(s) and the late or non-provision of leaver form(s) including an accurate assessment of final pay – within 15 days of employee leaving the scheme or employment</p>	<p>Initial fee of £65 per form</p> <p>then a fee of £35 per form for each month the form(s) remains outstanding</p>
<p>Retirees</p> <p>Failure to notify the administrators when a scheme member is due to retire 15 working days before the retirement date - including an accurate assessment of final pay and authorisation of reason for retirement.</p>	<p>Initial fee of £65 per form</p> <p>then a fee of £35 per form for each month the form(s) remains outstanding</p>

Employer Responsibility	Additional Administration Charge
<p>Late payment of pension benefits</p> <p>As a result of the employers failure to notify the administrators of a scheme members retirement & not providing the correct paperwork, interest becomes payable on any lump sum paid.</p> <p>The administrators will recharge the total amount of interest paid back to the employer</p>	<p>Calculation will be provided – payment due is as invoiced within 30 days of receipt of invoice</p>

EMPLOYER CONTRIBUTION RATES / ADDITIONAL EMPLOYER ASSISTANCE & ASSOCIATED COSTS

Employers Contribution Rates

Employers' contribution rates are not fixed. Employers are required to pay whatever is necessary to ensure that the portion of the fund relating to their organisation is sufficient to meet its liabilities.

The London Borough of Hackney has an actuarial valuation undertaken every 3 years by the Fund's actuary. The actuary balances the fund's assets and liabilities in respect of each employer, and assesses the appropriate contribution rate for each employer to be applied for the subsequent 3 years.

Additional Employer Assistance & Associated Costs

The cost of running the London Borough of Hackney Pension Fund is charged directly to the Fund, and the actuary takes these costs into account in assessing the employers' contribution rates.

If an employer wishes the *London Borough of Hackney to carry out work not attributable to pension's administration they will be charged directly for the cost of that work.

The following functions have been designated Employer Functions – this means that they are outside of the normal scope of pension administration responsibilities for the Fund but the Administering Authority is willing to assist employers with these services.

They will be subject to a charge depending on the level of work required and whether external suppliers have to be engaged such as the Fund's Actuary, Occupational Health, etc.

Function/Task	Description & Associated cost
*Redundancy & Severance calculations (excluding/including pension calculation) *Efficiency Retirements *Flexible Retirements	Information, guidance, calculations and the preparation of associated paperwork for employee signature and payroll instructions Cost – 1 estimate per employee, per rolling 12 month period is provided free of charge. Subsequent requests from the employer due to a change of circumstance (e.g. last day of service, change of earnings) will be charged at £50 per case
Ill health retirements & Tier 3 awards.	Monitor and review tier 3 ill health awards to cessation, liaise with Occupational Health Services, and provide support at the IHRP meetings to determine cessation of benefits or a potential uplift in benefits Cost – as charged by the Occupational Health Service used for each case

Function/Task	Description & Associated cost
Injury payments	<p>Calculation and payment of injury awards</p> <p>Cost – standard administration charge £100 plus any cost as invoiced from the Actuary + any chargeable Actuary time as invoiced</p>
FRS17/IAS19	<p>Provision of data required for FRS17/IAS19 calculations to the Actuary, plus any chargeable Actuary time</p> <p>Cost – standard administration charge £100 Plus as invoiced from the Actuary + any chargeable Actuary time as invoiced</p>
Admission Agreements	<p>Setting up and amendment of admission agreements for Contractors/new Employers admitted to the Fund</p> <p>Cost – standard administration charge of £100 plus as invoiced from the Actuary/Legal + any chargeable Actuary/Legal time as invoiced, if required</p>
Cessation & Interim Valuations	<p>Provision of data required for interim and/provision of data required for interim and/or cessation valuations</p> <p>Cost – as invoiced from the Actuary + any chargeable Actuary time as invoiced</p>
Academy Conversions	<p>Any work related to this requiring input from the Administering Authority</p> <p>Cost – as invoiced from the Actuary + any chargeable Actuary time as invoiced</p>
Legal Work & non-standard actuarial work	<p>Any work in relation to this requiring input from the Administering Authority – e.g. contract review on outsourcing, employer policies, TUPE & future pension provision etc.</p> <p>Cost – as invoiced from the Actuary/Legal + any chargeable Actuary/Legal time as invoiced</p>

* the London Borough of Hackney Pensions Team, upon receipt of **accurate information** on the **appropriate estimate request form** in relation to an active member, or employee not in the LGPS, retiring due to age, redundancy, efficiency or flexible retirement, can provide 1 free estimate per member/employee, per 12 month rolling period.

Estimates are normally returned to the requesting employer within 20-30 working days of the receipt of the request – timeframe is dependent on checking employee employment/pension records, complexity of each case and the number of requests received at any one time.

SERVICE AND COMMUNICATION IMPROVEMENT PLANNING

As set out earlier in this Administration Strategy, the Fund's objective in relation to administration is to deliver an efficient, quality and value for money service to its scheme employers and scheme members. This can only be achieved through continuously reviewing and improving the service. Communication between the Fund and scheme employers is key to providing the service and is therefore an important aspect of service improvement planning.

Equiniti and the Council's in-house pension team work together on a programme of continuous improvement to the service.

The monitoring of the performance standards set out in this document will inform the programme going forward and feedback from scheme employers on the service and the way in which the Fund communicates is welcomed in developing plans. Feedback should be e-mailed to: pensions@hackney.gov.uk.

The Fund will take responsibility for improving the service and determining the balance between implementing service improvements and the goal of providing a value for money service for the Fund.

Employers will be informed of any changes to the service provision which affect the way they interact with the Fund.

CONSULTATION AND REVIEW PROCESS

In preparing this Administration Strategy the Fund has consulted with all the scheme employers with active contributors in the Fund. The Strategy will be reviewed every 3 years, or more frequently if there are changes to the Scheme regulations or requirements.

All scheme employers will be consulted before any changes are made to this document.

The latest version of this document can be accessed from the Fund website <http://hackney.xpmemberservices.com>

DRAFT

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013

The Regulations in relation to the Pension Administration Strategy are contained in the Local Government Pension Scheme Regulations 2013, and are set out below:

Pension administration strategy

59. (1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.

(2) The matters are—

(a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");

(b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by—

(i) the setting of performance targets,

(ii) the making of agreements about levels of performance and associated matters, or

(iii) such other means as the administering authority considers appropriate;

(c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

(d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;

(e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

(f) the publication by the administering authority of annual reports dealing with—

(i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and

(ii) such other matters arising from its pension administration strategy as it considers appropriate; and

(g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

(3) An administering authority must—

- (a) keep its pension administration strategy under review; and
- (b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

(5) An administering authority must publish—

- (a) its pension administration strategy; and
- (b) where revisions are made to it, the strategy as revised.

(6) Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.

(7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

(8) In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme employer

Payment by Scheme employers to administering authorities

69.—(1) Every Scheme employer must pay to the appropriate administering authority on or before such dates falling at intervals of not more than 12 months as the appropriate administering authority may determine—

- (a) all amounts received from time to time from employees under regulations 9 to 14 and 16 (contributions);
- (b) any charge payable under regulation 68 (employer's further payments) of which it has been notified by the administering authority during the interval;
- (c) a contribution towards the cost of the administration of the fund; and
- (d) any amount specified in a notice given in accordance with regulation 70 (additional costs arising from Scheme employer's level of performance).

(2) But—

- (a) a Scheme employer must pay the amounts mentioned in paragraph (1)(a) within the prescribed period referred to in section 49(8) of the Pensions Act 1995⁽⁴¹⁾; and
- (b) paragraph (1)(c) does not apply where the cost of the administration of the fund is paid out of the fund under regulation 4(5) of the Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2009 (management of pension fund)⁽⁴²⁾.

(3) Every payment under paragraph (1)(a) must be accompanied by a statement showing—

(a) the total pensionable pay received by members during the period covered by the statement whilst regulations 9 (contributions) applied (including the assumed pensionable pay members were treated as receiving during that period),

(b) the total employee contributions deducted from the pensionable pay referred to in subparagraph (a),

(c) the total pensionable pay received by members during the period covered by the statement whilst regulation 10 applied (including the assumed pensionable pay members were treated as receiving during that period),

(d) the total employee contributions deducted from pensionable pay referred to in subparagraph (c),

(e) the total employer contributions in respect of the pensionable pay referred to in subparagraphs (a) and (c),

(f) the total additional pension contributions paid by members under regulation 16 (additional pension contributions) during the period covered by the statement, and

(g) the total additional pension contributions paid by the employer under regulation 16 (additional pension contributions) during the period covered by the statement.

(4) An administering authority may direct that the information mentioned in paragraph (3) shall be given to the authority in such form, and at such intervals (not exceeding 12 months) as it specifies in the direction.

(5) If an amount payable under paragraph (1)(c) or (d) can not be settled by agreement, it must be determined by the Secretary of State.

Additional costs arising from Scheme employer's level of performance

70. (1) This regulation applies where, in the opinion of an administering authority, it has incurred additional costs which should be recovered from a Scheme employer because of that employer's level of performance in carrying out its functions under these Regulations.

(2) The administering authority may give written notice to the Scheme employer stating—

(a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);

(b) the amount the authority has determined the Scheme employer should pay under regulation 69(1)(d) (payments by Scheme employers to administering authorities) in respect of those costs and the basis on which the specified amount is calculated; and

(c) where the administering authority has prepared a pension administration strategy under regulation 59, the provisions of the strategy which are relevant to the decision to give the notice and to the matters in subparagraphs (a) or (b).

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REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
Training Needs Self-Assessment and Analysis Pensions Board 29th November 2018	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

This report provides Board Members with a questionnaire to indicate their training needs, give their views of the effectiveness of the Pensions Board and set out their preferences with regards to training styles. Completing the questionnaire will provide officers with information to customise Member training plans, helping to ensure that the Fund is meeting the requirements of the CIPFA Knowledge and Skills framework and is able to provide individual training information in line with the Markets in Financial Instruments Directive (MiFID) II.

2. RECOMMENDATIONS

2.1 The Pensions Board is recommended to:

- Note the report
- Individually complete and return the Training Needs Self-Assessment questionnaire by 31st January 2019.

3. RELATED DECISIONS

3.1 Pensions Committee (11th September 2017 – Training Policy)

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

4.1 Ensuring that Members of the Pensions Board are well trained and understand their legal responsibilities helps ensure that the Board is able to provide effective oversight of the governance and administration of the Fund and can assist the Hackney Councils as the administering authority in securing regulatory compliance. This will help to protect the longer term financial interests of the Fund and its stakeholders.

4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

5.1 Under the Pensions Act 2004, a member of the pension board must be conversant with:

- The rules of the scheme

- Any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

Members must also have knowledge and understanding of

- The law relating to pensions
- Any other matters which are prescribed in the regulations

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board

- 5.2 Pensions Board Members therefore have a legal duty to meet certain standards of knowledge and understanding. Completion of the recommended questionnaire will help ensure that appropriate training is provided to Pensions Board Members to enable them to discharge this duty.

6. BACKGROUND TO THE REPORT

- 6.1 In recent years CIPFA has placed much greater focus on the requirement for appropriate knowledge and skills in the management of LGPS Funds and has issued a range of guidance on the subject for both Committee Members and officers. In July 2015 CIPFA also launched technical guidance for Local Pension Board Members by extending the knowledge and skills frameworks already in place. The updated Framework details the knowledge and skills required by Pension Board members to enable them to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013.
- 6.2 The introduction of the Markets in Financial Instruments Directive II (MiFID II) requires any supplier dealing with LGPS funds on business within scope of MiFID II to opt up their LGPS clients before they can be considered as professional clients. The opt up process requires a detailed disclosure from funds as to the number of hours of training offered to and taken up by individual Committee Members.
- 6.3 The combined effect of the changes has been to increase the duration, breadth and depth of the training that those responsible for the management of LGPS funds must attend. Carrying out a detailed review of how the Fund delivers training is vital in ensuring that the training offered remains relevant, sufficient and accessible to all those charged with management of the Fund
- 6.4 The Training Needs Analysis questionnaire attached at Appendix 1 to this report forms the first stage of the training review. The questionnaire, to be completed by both Pensions Committee and Board Members, asks Members to assess their knowledge of each section of the CIPFA Knowledge and Skills Framework. Members are asked to confirm if they require extra training and to specify the level of additional training required if so (e.g. introductory training, refresher training etc.)
- 6.5 Members are also asked for their views on how effectively the Pensions Committee or Pensions Board is performing including their views on collective and individual behaviour and the level of engagement in the Pensions Committee or Pensions

Board. The final section requests Members' views on training formats to help inform the design of future training and ensure that it suits individual preferences and time constraints whilst also offering sufficient breadth and depth

- 6.6 Officers will review the completed questionnaires and use the responses to provide customised training programs for individual Members. This will help ensure Members get the most from limited training time and are able to access training in a way that suits their individual needs.

Ian Williams

Group Director of Finance and Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6122

Appendices

Appendix 1 – Training Needs Self-Assessment and Analysis Questionnaire

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London Borough of Hackney Pension Fund

Training Policy Self-Assessment and Analysis

Introduction

The London Borough of Hackney Pension Fund Training Policy sets out a number of objectives including that all staff and Pensions Committee members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Under the Training Policy, all Pensions Committee members, Pension Board members and senior officers to whom the Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that the all the objectives set out in the Policy are met. You should feel comfortable that you have the appropriate knowledge needed for you to carry out your role as a Pensions Committee or Pension Board member.

Hackney Council, as administering authority to the London Borough of Hackney Pension Fund, is committed to providing the appropriate training so that these objectives can be met.

What is included in this analysis?

There are **three sections** in this analysis including:

- **Section 1 – Training Needs Self-Assessment:** A key element of the knowledge requirements is the national CIPFA Knowledge and Skills Framework competencies for Pensions Committee representatives, which can be applied equally to Pension Board members. It is important to regularly assess the level of knowledge and expertise, and any gaps in knowledge, so that training plans can be developed in accordance with the Fund's Training Policy. To assist in developing these training plans, all Pensions Committee and Pension Board members are asked to complete this self-assessment of their training needs.
- **Section 2 – Board Effectiveness and Engagement Analysis:** We want to understand your view on how effectively the Pensions Committee or Pension Board is performing including your view on collective and individual behaviour and the level of engagement in the Pensions Committee / Pension Board.
- **Section 3 – Training Preferences:** A key challenge for the administering authority in delivering training is ensuring that the training provided offers sufficient breadth and depth whilst fitting in with the many time constraints placed upon Pensions Committee and Pension Board members, as well as striving to deliver training in a manner that suits individual preferences. We would therefore welcome your views to help design future training format(s).

Instructions for completion and return

You can complete the table either electronically and email it back to us, or you can print it and post or scan it back to us. If you do not have access to a printer and you want a printed copy of the self-assessment, please contact rachel.cowburn@hackney.gov.uk.

Please complete and return this form by 31st January 2019 The form should be returned to the following email or postal address:

- Email – rachel.cowburn@hackney.gov.uk, or
- Address – Rachel Cowburn
Pensions Investments & Actuarial
4th Floor, Hackney Service Centre
1 Hillman Street
London E8 1DY

If you would like to discuss your training needs and/or this self-assessment, please contact Rachel Cowburn using the details above.

Section 1 – Training Needs Self-Assessment

This self-assessment starts on page 3 and is made up of a number of columns as described below:

- **The competencies (i.e. topics) that you should have knowledge of** – These are shown in the first three purple coloured columns. The first two columns show the competencies as stipulated by CIPFA. The third column shows additional topics that we believe are important and so have included as part of the required training for London Borough of Hackney Pension Fund.
- **The training that you think you need** - The final three (green) columns are where we need you to confirm where you think you need further training. The columns are as follows:
 - Question 1 - How confident do you feel in your knowledge and skills?
You should answer this question on each row with 0, 1, 2, 3 or 4 by referring to "Key 1" at the top of page 3.
 - Question 2a - Do you believe you need further training to undertake your London Borough of Hackney Pension Fund responsibilities in this area?
You should answer this question on each row with either "Yes" or "No".
 - Question 2b – You only need to complete this column where you have answered "Yes" to question 2a.
If that is the case, you should answer 1, 2 or 3 by referring to "Key 2" at the top of page 3.

How do I complete this section?

Please answer questions 1, 2a, and if relevant 2b below (i.e. the green columns) in relation to each competency area shown.

Name

1 - Key to question 1 response:	2 - Key to question 2b response, if you answer yes to 2a:
0 = Not relevant to your role	1 – I feel I need full training in this area
1 = Poor, Not Effective, No Understanding	2 – I could do with a short refresher in this area
2 = Satisfactory, Quite Effective, Limited Understanding	3 – I feel information presented at Pensions Committee / Pension Board and the opportunity to ask questions there (and before) Pensions Committee / Pension Board will be sufficient to fill any knowledge gaps I have
3 = Good, Effective, Some Understanding	
4 = Very Good, Very Effective, Full Understanding	

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
Pensions legislative and governance context					
General pensions framework	A general awareness of the pensions legislative framework in the UK.				
Scheme-specific legislation	An overall understanding of the legislation specific to the scheme and the main features relating to benefits, administration and investment.	Include: <ul style="list-style-type: none"> - the roles and powers of the MHCLG in relation to the LGPS - interaction with local authority legislation 			
	An awareness of the Local Government Pension Scheme Regulations 2013.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
	An appreciation of LGPS discretions and how the formulation of the discretionary policies impact on the pension fund, employers and local taxpayers.				
	A regularly updated appreciation of the latest changes to the scheme rules.				
	Knowledge of the role of the administering authority in relation to the LGPS.				
		The role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.			
Pensions regulators and advisors	An understanding of how the roles and powers of the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.				
		The requirements of the TPR Code of Practice number 14			

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
General constitutional framework	Broad understanding of role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.	Include history of LBHPF and current governance structure of LBHPF			
	Awareness of role and statutory responsibilities of treasurer and monitoring officer.				
Pension scheme governance	An awareness of the LGPS main features.	Include the key strategy documents required and associated guidance (mainly statutory and CIPFA).			
	Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.				
	A detailed knowledge of the duties and responsibilities of committee members.	Include the duties and responsibilities of pension board members.			
	Knowledge of the stakeholders of the pension fund and the nature of their interests.				
	Knowledge of consultation, communication and involvement options relevant to the stakeholders.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
		Knowledge of how pension fund management risk is monitored and managed			
		Understanding of how conflicts of interest are identified and managed			
		Understanding of how breaches in law are reported.			
		Knowledge of the key documents of the LBHPF as detailed within the LBHPF Training Policy for new members.			
		Knowledge of other documentation relating to the LBHPF as listed in TPR Code of Practice number 14.			
Investment Pool	Broad understanding of the structure, operation and purpose of the investment pooling arrangements, including the structure of the relationship with the other participants within the pool.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
	Appreciation of the regulation, best practice and guidance related to investment pooling and the delivery of the investment objectives of the administering authority/pensions committee by their chosen investment pool.				
	Appreciation of the boundaries under financial services law and where carrying on investment activities requires FCA authorisation.				
	Understanding of the interaction between the administering authority, the pensions committee, the investment pool operator, investment pool oversight committee and other parties relating to the investment pooling arrangements; in particular reporting requirements, influence and accountability.				
	Understanding of the statement of investment principles or investment strategy statement and the investment pool's interpretation and expected delivery of those investment objectives.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
Pensions accounting and auditing standards					
	Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report.				
	Awareness of the role of both internal and external audit in the governance and assurance process.				
Financial services procurement and relationship management					
Understanding public procurement	Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations.				
	A general understanding of the main public procurement requirements of UK and EU legislation.				
Supplier risk management	Awareness of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
Investment pool	<p>Awareness of the nature of the relationship with the investment pool parties and an understanding of:</p> <ul style="list-style-type: none"> - the extent of influence over the investment pool operator and oversight committee - the terms for terminating a pooling agreement; and - guidance on the requirement to pool investments. 				
Investment performance and risk management					
Total fund	Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.				
Performance of advisors	Awareness of the Myners principles of performance management and the approach adopted by the committee.				
Performance of the committee	Awareness of the Myners principles and the need to set targets for the committee and to report against them.				
Performance of support services	Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.				

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
Performance of the investment pool	Awareness of the Investment Regulations and the requirements for monitoring investments.				
	Understanding of the administering authority and pensions committee investment strategy requirements of the investment pool and how to effectively monitor the delivery of the investment strategy.				
Financial markets and products knowledge					
Investment strategy	Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property).				
	Understanding of the role of these asset classes in long-term pension fund investing.				
Financial markets	Understanding of the primary importance of the investment strategy decision.				
	A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.				
		Flight Path Derisking Strategy			

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
	An awareness of the limits placed by regulation on the investment activities of local government pension funds.				
		MIFID II			
Investment pool	Appreciation of the investment pool operator's approach to pooling and delivering access to the different asset classes and/or investment funds.				
	Understanding of which assets and investments may sit outside of the investment pool, and their nature and characteristics.				
Actuarial methods, standards and practices					
Valuations	Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.				
	Awareness of the importance of monitoring early and ill health retirement strain costs.				
	A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.				
Outsourcing	A general awareness of the relevant considerations in relation to outsourcing and bulk transfers.				

Section 2 – Committee and Board Effectiveness and Engagement Analysis

Understanding the Committee/Board Effectiveness and Engagement

In addition to being fully equipped with the knowledge and skills to discharge your duties and responsibilities as a Pensions Committee member, Pension Board member, or senior officer it is also helpful to understand your view on how effectively the Pensions Committee and Pension Board is performing. Here we are seeking your view on collective and individual behaviour and the level of engagement in the Pensions Committee/ Pension Board.

How do I complete this section?

Please answer questions 1 to 12 below by selecting one of the responses, Strongly Agree, Agree, Unsure, Disagree, Strongly Disagree (i.e. green columns) – please enter an **X** in the relevant field. If you have any additional comments you would like to provide please place them in the text box at the end of the section stating which question the comment relates to.

Please confirm whether you are responding to this section in relation to your views of the Pensions Committee or Pension Board. If you have attended both, please feel free to complete this section twice so all views can be gathered.

Completed for	Pensions Committee / Pension Board (delete as appropriate)
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	Effectiveness and Engagement Questions	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
1.	You feel you can contribute and facilitate discussions to help develop ideas					
2.	You are able to work effectively with other Pensions Committee / Pension Board members of varying experience and understanding					
3.	You feel able to identify risks and threats and appropriate action					
4.	You feel comfortable asking questions and challenging areas when necessary to further Pensions Committee/ Pension Board understanding and develop problem solving					
5.	You undertake learning and development					

	Effectiveness and Engagement Questions	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
	to improve your knowledge and skills and are aware of your own strengths and weaknesses					
6.	You are comfortable managing conflicts of interest					
7.	Pensions Committee/ Pension Board discussions are facilitated to allow all to contribute in order to seek opinion and develop ideas					
8.	Pensions Committee/ Pension Board work collaboratively to develop good working relationships					
9.	Pensions Committee/Pension Board are able to have difficult conversations and challenge each other constructively					
10.	Pensions Committee decisions/ Pension Board recommendations are not unduly influenced by someone's experience or expertise					
11.	The Fund has clear strategic objectives which inform what we do at Pensions Committee/ Pension Board					
12.	Pensions Committee/Pension Board have enough time and resources to effectively manage the scheme					

Please add any additional comments relating to questions 1 – 12 above:

Section 3 – Training Preferences

Understanding Training Preferences

A key challenge for the administering authority in delivering training is in ensuring that the training provided offers sufficient breadth and depth whilst fitting in with the many time constraints placed upon Pensions Committee and Pension Board members, as well as striving to deliver training in a manner that suits individual preferences. We would therefore welcome your response to the following two questions to help design training format(s) in the future.

How do I complete this section?

Please answer questions 1 and 2 by entering an **X** in the relevant field. If you have any additional comments you would like to provide relating to training preferences please place these in the text box at the end of this section.

1. Which of the following training methods have you made use of in the last 12 months to maintain / improve your pension fund knowledge?		
	Yes	No
Internal training sessions (with internal trainers such as Fund officers)		
Internal training sessions (with external trainers such as advisors)		
External training sessions (i.e. run by external organisations or advisors)		
Conferences and other events		
On-line training		
Reading written material		
Telephone conference briefing		
Other (please state)	Please list other methods (where relevant):	

2. Please tick the boxes that best describe how you feel about each of the following training methods. You may have more than one method with the same ranking if

you equally like or dislike them.				
	I really like this method of learning	I quite like this method of learning	I'm not so keen on this method of learning	I really don't like this method of learning
Internal training sessions (with internal trainers such as Fund officers)				
Internal training sessions (with external trainers such as advisors)				
External training sessions (i.e. run by external organisations or advisors)				
Conferences and other events				
On-line training				
Reading written material				
Telephone conference briefing				
Other (please state)				

Please add any additional comments relating to how training is delivered:

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REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
PENSIONS BOARD WORK PLAN 2018-2019 Pensions Board 29th November 2018	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an indicative work plan for the Pension Board meetings for 2018-19

2. RECOMMENDATIONS

- 2.1 The Pension Board is recommended to agree the indicative work plan for the Board for 2018-19

3. RELATED DECISIONS

- Pensions Committee (23rd July 2018) – Pension Fund Business Plan 2018-2021

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations. The work plan as set out in the appendix to this report ensures that the Pensions Board is able to cover key areas of work in line with regulatory requirements. There are no immediate financial implications attached to this report, although it is recognised that the Board are able to ask for additional information or resourcing in order to help them to fulfil their statutory duties.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1 The Pensions Board has been established in accordance with the Public Service Pensions Act 2013 and in accordance with the Local Government Pensions Scheme (Amendment) (Governance) Regulations 2014. Consideration of a schedule of work for the Pension Board helps to demonstrate that the Board is meeting its Terms of Reference in assisting the Administering Authority to comply with regulations.
- 5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 Under the regulations, responsibility for decision-making with regards to the management of the Fund remains with the Pensions Committee; the Pensions Board is not a decision-making body. The Board does, however, have a broad remit to review the decision-making process of the Pensions Committee in matters of scheme administration and governance. As such, members of the Pensions Board will be

provided with the final reports, minutes and agendas relating to all Pensions Committees and may attend Committee meetings as observers.

- 6.2 The Pensions Board is scheduled to meet a minimum of 2 times per municipal year with the scope for additional meetings as required. The meetings will be recorded and copies provided to the Pensions Committee
- 6.3 The Board may make reports or recommendations to Pensions Committee; these must be provided at least 15 days in advance of the next Committee meeting. Additionally, the Chair of the Pension Board will prepare an annual report, which will be distributed to Pensions Committee, the Cabinet Member for Finance, the Group Director, Finance and Corporate Resources, the Director, Financial Management and the Director, Legal. In the event that the Board considers that a matter brought to the attention of the relevant Directors and the Pensions Committee has not been acted upon within a reasonable period of time, it may also provide a report to Council.
- 6.4 An indicative work plan for the year 2018-19 has been drawn up, but is subject to amendment and will depend on a number of circumstances including the work undertaken by the Pensions Committee, any key changes to wider regulations or pension related issues and any further guidance or direction from the Pensions Regulator. The Pensions Board may also consider that other issues may increase in importance and will require additional work or review, particularly after embarking on a training programme.

Ian Williams

Group Director, Finance and Corporate Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2646

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Sean Eratt ☎020-8356 6012

Appendices

Appendix 1 - Pensions Board Work Schedule 2018-19

Appendix 1

Indicative Work Plan for Pensions Board 2018 -2019

Pensions Board Agenda – 29th November 2018

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of minutes of previous meeting
4. Training – Pooling Governance
5. London CIV Governance Update
6. Third Party Admin Contract Implementation
7. Review of Pensions Committee Work - April – Sept 2018
8. Compliance with Code of Practice
9. Data Improvement Update
10. Admin Authority Discretions
11. PF Administration Annual Report
12. Training Needs Analysis
13. Pension Board Work Schedule

Pensions Board Agenda – March 2019 Date TBC

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of minutes of previous meeting
4. Training – TBC
5. Risk Register Review
6. Review of Pensions Committee Work - October 2018 – March 2019
7. Compliance with Code of Practice
8. GMP Reconciliation Update
9. 2019 Valuation – Process planning
10. Member and Employer Communications (with a focus on online provision)
11. Business Planning and Budgeting (with a focus on streamlining processes)

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