

Report for: Pension Board

Date of Meeting:	3 March 2022
Subject:	Review of Fund Policies
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	Not applicable
Enclosures:	Appendix 1 – Draft Training Policy Appendix 2 – Draft Fund Administration Strategy

Section 1 – Summary and Recommendations

This report brings further Fund Policies for review as part of the steps required to ensure that the Fund is ready for the implementation of the Good Governance Review in 2022.

Recommendations:

The Board is recommended to

1. note the report
2. to consider and make recommendations to the Pension Fund Committee in respect of
 - a) the Draft Training Policy
 - b) and the Draft Fund Administration Strategy.

Section 2 – Report

1. The LGPS “Good Governance Review” began in 2019. Its implementation was delayed by the Covid-19 pandemic, but early in 2021 the LGPS Scheme Advisory Board (SAB) published a Phase 3 Report – this is now with the Government (DLUHC) for implementation. Before the Pension Fund

Committee's meeting on 24th June 2021, Ian Colvin of Hymans Robertson (who as well as being the Harrow Fund's actuaries, also advised the SAB during the Review) led a training session on this subject. In that session the Committee was advised of the key issues arising from the Review.

2. At its meeting on 13th September 2021, the Committee considered and approved the approach to ensuring that Harrow is ready for the Review's implementation in 2022. It was approved that the Pension Board be asked to review the drafts and comment / make recommendations to the Committee regarding the adoption of the policies.
3. At its last meeting, the Board considered the draft Conflicts of Interest Policy and the draft Breaches Policy and made several comments and suggestions. These have been reflected in the latest drafts of those policies, which will be considered by the Pension Fund Committee at its meeting on 9 March 2022.
4. Attached to this report are two further draft policies for consideration and comment, as follows:
 - Training Policy – Appendix 1
 - Fund Administration Strategy – Appendix 2
5. As previously agreed, these are based upon template policies produced by Hymans Robertson, and incorporating specific good practice as appropriate from other LGPS Funds. A brief summary of each is included below.

Training Policy

6. This Policy sets out approach to ensuring that the various people involved in managing and making decisions in respect of the Harrow Pension Fund (officers, Committee members and Board members) have the appropriate and relevant knowledge and skills to carry out their roles and functions effectively.
7. One aspect which may be of particular importance in 2022 is the induction and training of new Committee members. Local elections take place in May 2022. Should there be new members appointed to the Committee, they will need to be brought up to speed.

Fund Administration Strategy

8. It is considered best practice for all funds to have an Administration Strategy. This document sets out the roles and deadlines to which all parties have to work, performance standards for LBH as the administering authority for the Fund, a summary of our approach to communications (linked to the Communications Policy approved in 2021) and a summary of costs which will be recovered from employers.
9. Importantly the document highlights how the various parties involved (the administering authority, employers, scheme members and actuaries work together to deliver a good quality service.
10. The Board should note that in some cases the target times are not currently being achieved – there are two main reasons for this. Firstly, there

has been some turnover within the team, and new staff members are being trained and “brought up to speed”. Secondly, workload is currently higher than normal. One factor in this has been that at Harrow, in common with many LGPS funds, it appears that the Covid-19 pandemic has triggered a significant number of retirement estimate requests from older active members.

Next steps

11. The Board’s comments and suggestions on these policies will be reported to the Pension Fund Committee as it considers approval of these policies at its meeting on 9 March 2022.

Legal Implications

12. There are no direct legal implications arising from this report.
13. The terms of reference for the Board include assisting the Administering Authority (London Borough of Harrow) as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme.

Financial Implications

14. Whilst the financial health of the Pension Fund directly affects the level of employer contribution which, in turn, affects the resources available for the Council’s priorities there are no impacts arising directly from this report.

Risk Management Implications

15. The Pension Fund’s Risk Register is reviewed regularly by both the Pension Fund Committee and by the Board. The next review by the Committee is on 9 March 2022.
16. There are no specific risk management implications arising from this report. The level of risk to which its investments are exposed is a key component in developing the Fund’s investment strategy.

Equalities implications / Public Sector Equality Duty

17. Was an Equality Impact Assessment carried out? No
There are no direct equalities implications arising from this report.

Council Priorities

18. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 09/02/2022

Statutory Officer: Sharon Clarke

Signed on behalf of the Monitoring Officer

Date: 09/02/2022

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 09/02/2022

Mandatory Checks

Ward Councillors notified: Not applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Background Papers: None