

Governance Policy and compliance Statement

This is the Governance Policy and Compliance Statement (the Statement) for the Hammersmith & Fulham Pension Fund (the Pension Fund/the Fund) which is part of the Local Government Pension Scheme (the LGPS).

The Fund is managed and administered by the London Borough of Hammersmith & Fulham Council (the Council) in accordance with the Local Government Pension Scheme Regulations 2013 (2013 Regulations).

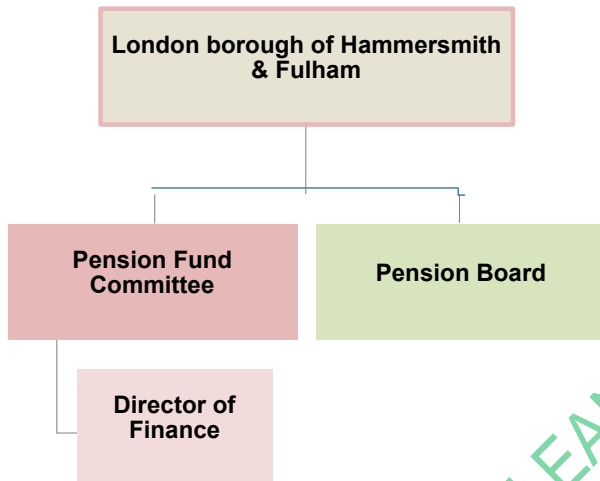
The LGPS is governed by the Ministry of Housing, Communities and Local Government (MHCLG) and the LGPS Scheme Advisory Board.

This policy will be reviewed every 3 years.

The 2013 Regulations require an administering authority, after consultation with such persons as it considers appropriate, to prepare, publish and keep under review, a written statement setting out:

- whether it delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority
- the terms, structure and operational procedures of any such delegations
- the frequency of any committee or sub-committee meetings
- whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether these representatives have voting rights
- the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying
- details of the terms, structure and operational procedures in relation to the local pension board. This Statement sets out the governance arrangements of Hammersmith & Fulham Pension Fund.

Governance Structure



Governance Objectives

The Pension Fund's governance objectives are to:

- Meet the highest standards of good governance through the application of the key principles of openness and transparency, accountability, integrity, clarity of purpose and effectiveness.
- Ensure robust governance arrangements are in place to facilitate informed decision making supported by appropriate advice, policies, and strategies, which do not unreasonably favour one group of stakeholders over another
- Ensure the Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise.
- Comply with all appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance The identification and management of conflicts of interest is integral to the Fund achieving its governance objectives.

Governance Arrangements

Under the terms of the Council's Constitution, responsibility for the functions of the Council as the administering authority of the London Borough of Hammersmith & Fulham Pension Fund is delegated to the Pensions Fund Committee.

Set up in 2015 in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, the Pension Board assists the administering authority with the governance and administration of the Fund.

The Pension Board duties include ensuring the effective and efficient governance and administration of the LGPS, including:

- Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme Members of the Pension Board are invited to attend meetings of the Pensions Fund Committee as observers and receive a copy of all papers ahead of each meeting, where relevant.

The Pension Board is made up of people who represent LGPS members and LGPS employers. It supports the pension fund and the Pension Fund Committee by ensuring that the Fund is compliant with Pension, LGPS legislation and Pension Regulator. The Pension Board meets at least twice a year prior to a Pension Fund Committee meeting.

Further information can be found in the London Borough of Hammersmith & Fulham Constitution under the terms of reference for the Pension Board;

H&F Constitution

The chair of the pension board is responsible for ensuring that meetings are held at least twice a year, that these are productive and effective, and that opportunity is provided for the views of all members to be expressed and considered.

He is also responsible for ensuring members of the board attend and engage in regular training.

As well as to ensure the minutes and decision making of the Pension Fund Committee is fully scrutinised and feedback is given direct to the Chair of the Pension Fund Committee or feedback to Officers.

The day-to-day management of the Pension Fund is delegated to the Director of Finance who is supported by the Head of Pensions and the in-house pension team and the Tri- borough investment and treasury team.

The Pension Fund Committee meets at least four times per year and its responsibilities include periodically reviewing and approving the Fund's:

- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Funding Strategy Statement
- Quarterly tactical asset allocation
- Other statutory policies required by the Local Government Pension Scheme

Regulations and strategy/policy statements in line with best practice.

The Committee also receives and considers the Fund's:

- Triennial actuarial valuation report and annual funding reports
- Annual Report and accounts
- Risk Register

The Pension Fund Committee ensures arrangements are in place for:

- communicating with the Fund's stakeholders

The Committee is responsible for appointing the Fund's:

- Actuary
- Independent investment adviser
- External fund managers for segregated mandates in advance of the management of the investment assets transitioning to the LGPS Central investment pool
- AVC providers

To oversee the Fund's participation in investment pooling, the Committee:

- Ensures the Fund is properly represented within the London CIV governance framework.
- Defines the requirements the Pool must meet to support the Fund in implementing its Investment Strategy.
- Holds responsibility for selecting, appointing, and, if necessary, removing the investment pooling operator (the Operator) responsible for managing the Fund's assets.
- Evaluates the performance and effectiveness of the Operator, both as a shareholder in the Operator and as an investor in its products.
- Ensures that adequate mechanisms are in place to monitor and report on the ongoing costs and cost efficiencies associated with investment pooling.
- Oversees the effective implementation of the Fund's responsible investment policies, corporate governance standards, and voting practices.
- Reviews and considers reports and recommendations from the Pool's Joint Committee of Shareholders.

A proportion of the Fund's investment assets are managed by the London CIV (the Fund's pooling company) and by other external fund managers.

Officers of the Council and an independent investment adviser also attend Pension Fund Committee meetings to provide advice and support to members of the Committee. Other experts attend the Pension Fund Committee to provide advice as and when required. Members of the Pension Board are on occasion invited to attend the Committee's meetings as observers.

The role of the pension fund Committee chair

The role of the Chair is to provide leadership and direction to the Hammersmith & Fulham Pension Committee.

The Pension Fund Committee Chair's aim is to enable the Hammersmith & Fulham Pension Committee to fulfil its responsibilities in respect of the governance of the Hammersmith & Fulham Pension Fund (the Fund) in accordance with the Public Service Pension Scheme Act 2013 (PSPA13), legislation governing the Local Government Pension Scheme (LGPS) and the Code of Practice issued by the Pension Regulator.

- Work with officers in planning the annual cycle of board meetings and setting the agendas.
- Chairing the board meetings to ensure that all opinions are heard and leading on decision making
- Monitoring implementation of recommendations made at board meetings
- Receiving timely advice on best practice on all new developments relevant to the LGPS and pensions in general and ensure their compliance as appropriate.
- Ensuring that the pension Committee's reporting requirements are met including,
- Balancing the views and needs of the participating employers and the scheme members.
- Ensuring that equality and diversity rules are adhered to.

- Ensure that appropriate knowledge and skills of all Board members are measured, monitored and maintained to have a relevant understanding of pensions law and working knowledge of the LGPS and its documentation

The Public Service Pensions Act 2013 introduced a framework for regulatory oversight by the Pensions Regulator and introduced a new governance structure for the LGPS which came into effect in April 2015 and included the requirement for administering authorities to establish Local Pension Boards. The London borough of Hammersmith & Fulham Pension Board (the Board) consists of two Scheme Member representatives and two Scheme Employer representatives.

Officers of the Council attend Pension Fund Committee and Pension Board meetings to provide advice and support to members of the Board.

The London borough of Hammersmith & Fulham Pension Fund has partnered with 31 other London LGPS funds to form a collective investment pool, known as the London CIV, in accordance with Government requirements for pooling the management of LGPS investment assets.

Review and Compliance with Best Practice

This Governance Policy and Compliance Statement will be reviewed every 3 years and will be revised following any material change in the governance arrangements of the Pension Fund.

The 2013 Regulations require Administering Authorities to prepare and publish a statement which sets out the extent to which the governance arrangements of the Fund comply with statutory guidance issued by the Secretary of State which is based on best practice principles. In preparing this statement, The Fund also acknowledges The Pension Regulator's (TPR) general code of practice which includes regulatory requirements, TPRs expectations and best practice particularly focusing on how occupational pension schemes should be managed and the policies, practices and procedures that should be in place.

The Fund's statement which sets out its governance arrangements is as follows:

REQUIREMENT	COMPLIANCE
Structure a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council	COMPLIANT – As set out in the Pension Fund Committee
b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	PARTIALLY COMPLIANT – The Fund is still waiting for the appointment of an employer representative
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	COMPLIANT – All decisions are made by the Pension Fund Committee and papers shared with the Pension Board
d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	COMPLIANT – All decisions are delegated to the Pension Fund Committee but an open invitation is with the chair of the Pension Board to be in attendance to the Pension Fund Committee

<p>Representation a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: i) employing authorities (including non-scheme employers, e.g., admitted bodies): ii) scheme members (including deferred and pensioner scheme members): iii) where appropriate, independent professional observers: and iv) expert advisors (on an ad-hoc basis)</p>	<p>PARTIALLY COMPLIANT – There remains an open invitation/vacancy for an employer representative.</p>
<p>b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights</p>	<p>COMPLIANT – This occurs with all key decision and performance issues,</p>
<p>Selection and role of lay members a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p>	<p>COMPLIANT - as set out in terms of reference of the Pension Fund Committee</p>
<p>b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda</p>	<p>COMPLIANT - this is a standing item on the Pension Fund Committee</p>
<p>Voting a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p>COMPLIANT - as set out in terms of reference of the Pension Fund Committee</p>
<p>Training / Facility / Expenses a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p>	<p>COMPLIANT - as set out in the Council's allowances policy and Constitution</p>
<p>b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory</p>	<p>COMPLIANT – As set out in the Council's constitution</p>

panels, or any other form of secondary forum.	
c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	COMPLIANT – Training is carried out at least quarterly
Meetings a) That an administering authority's main committee or committees meet at least quarterly.	COMPLIANT - as set out in terms of reference of the Pension Fund Committee meeting are at least quarterly
b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	COMPLIANT - The pension Board meet at least twice a year
c) That an administering authority who does not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	COMPLIANT - represented on the Pensions Board
Access a) That subject to any rules in the constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee	COMPLIANT - as set out in the Council's constitution
Scope a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	COMPLIANT - as set out in terms of reference of the Pensions Fund Committee
Publicity a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	COMPLIANT – all meeting agendas, minutes, reports and Pension Fund policies are published on the Council's website

Commented [SC1]: Just to check - do the councillors get more training from the main council? I know we put on twice yearly training, with some other sporadic sessions. If this is the only training, we might just need to update the frequency specified in this response.

Drafted January 2025 by Eleanor Dennis

This policy will be reviewed at least every 3 years.