Hammersmith & Fulham Pension Fund

General Code of Practice compliance review

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This report is divided into the following sections:

Executive Summary

Overall, having considered the expectations of the Pension Regulator's General Code of Practice, we found that the Fund has strong processes, policies and procedures in place for the majority of the modules that we have been able to assess. We did find that there were some gaps in the Fund's current processes in relation to specific modules, which have been highlighted in the framework below. In summary:

- The table (right) highlights that 75% of the modules looked to meet the TPR's expectations. However, it should be noted that a number of the items are not publicly available, and in some areas, a level of assumptions has been factored into the rating.
- For modules that are not specifically expected to apply to the LGPS, the Fund may wish to consider amending documents, policies and processes to ensure best practice.

Next steps

The Fund has identified specific actions as part of its current documents, processes and policies, which have been summarised in this report and form part of its ongoing commitment to adapt and evolve its procedures in line with changing circumstances. It is recommended that the framework included within this report be considered a "living" document, and updates to the framework should be completed periodically. For the next steps, we would recommend that the Officers:

- Update key documents and policies to ensure full compliance with the requirements of the General Code.
- Build in review cycles for each module in order to ensure policies, processes and procedures remain relevant and continue to meet the expectations.

RAG Rating	Module count (Percentage)
Red	0 (0%)
Amber	2 (4%)
Green	40 (75%)
N/A*	10 (19%)
Not yet assessed	1 (2%)
Total	**53 (100%)**

*Not specifically applicable to the LGPS or do not need to be individually assessed

Introduction

This document has been prepared by Barnett Waddingham for the Hammersmith & Fulham Pension Fund (Fund). It sets out our views on whether the Fund complies with the Pension Regulator's General Code of Practice, and if not, we identify what the Fund should do next.

The Pension Regulator's General Code of Practice came into force on 28 March 2024. The Code applies to governing bodies of occupational, personal, and public service pension schemes and sets out the Pension Regulator's expectations of the conduct and practice governing bodies should meet to comply with their duties under pensions legislation. Not all the expectations apply to the Local Government Pension Scheme, and we have identified those which apply and those which do not. In addition, some of the expectations are compulsory, which is where they reflect a legislative requirement, while others are described as "good practice", which is where the expectation does not directly apply. However, the Regulator suggests funds should consider adopting them.

Using this document

We have identified the expectations set out within the Code and in the following table have given our view on whether the Fund complies or not and what steps (if any) the Fund should take to meet the expectations. To help the Fund we have included a colour indicator so you can see immediately our view on compliance. In addition, we have also indicated where we think the Scheme Advisory Board's Good Governance Recommendations (many of which are proposed to be adopted under the Government's consultation "Local Government Pension Scheme (England & Wales): Fit for the future") might impact upon the review. Consultation ended on 16 January 2025, and we are waiting to see how the Government proceeds with implementing the recommendations. The recommendations are likely to impact on this analysis.

This review should be a "living" document which evolves to reflect any changes in the way the Fund operates over time or because of the Regulator updating its Code from time to time.

Terms used in this document

Term

Term	means
“**Consultation**”	The Government consultation “Local Government Pension Scheme (England & Wales): Fit for the future” which launched on 14 November 2024
“**ESOG**”	means an effective system of governance
“**Good Governance Recommendations**”	means the recommendations put forward by the England & Wales Scheme Advisory Board in their 2021 Good Governance Review
“LPB”	Local Pension Board
“PFC”	Pension Fund Committee
“**TPR**”	The Pensions Regulator

Key to colours

Colour	Meaning
Green	The Fund complies with the Code and no further action is required at this time
Amber	The expectation does not apply to the LGPS but the Fund may wish to comply with this expectation as a matter of good practice
Red	The Fund does not comply with the Code and action is required

The governing body: Board structure and activities

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Role of the governing body	The module describes the "*governing body*" of a public service pension scheme as the scheme manager. With the LGPS, the scheme manager will be the administering authority. It sets out 10 expectations for how "*trustees of trust schemes*" should act and suggests they are "*appropriate standards for the governing body of other schemes*". Expectations include acting in the interest of scheme members, knowledge and understanding, act in accordance with the rules and act honestly with integrity, competence and capability.	**Good practice:** The expectations do not directly apply as LGPS is not a trust scheme, but says the expectations for trustees also "*represent appropriate standards for the governing body of other schemes*". The module says "*A pension board must have an equal number of employer and member representatives.*"		Pension Fund Committee Terms of Reference ITEM 2. Terms of Reference.pdf Pension Board Pension Board -Terms of Reference (see below for link to Constitution) Members' Code of Conduct- Members' code of conduct The links to the PFC and PB web pages outline the membership, and voting processes. The attached code of conduct provides the expectations that Members are bound to follow. governance-compliance-statement.pdf The Governance Compliance statement outlines the roles of the	Potentially, because the Good Governance Recommendations cover some of the same expectations (for example, representation) although they are largely covered in other sections of this report. The Recommendations have been largely incorporated in the proposals set out in the Consultation. Consultation ended on 16 January 2025, and we await the outcome.	None. The Fund should look to ensure that Terms of Reference included on the Scheme website are up to date.

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
				governing bodies, structure and compliance. H&F Constitution – Constitution of the Administering Authority outlines the roles and responsibilities of the PFC and LPB.		
Recruitment and appointment to the governing body	This module relates to processes for recruiting and appointing persons to the governing body. It lists 9 features that any such process should have.	**Partial**: – Pension Committee (or similar) recruitment is subject to policies in accordance with appropriate legislation, however it says this module "also applies to *public service pension boards*."		ITEM 2. Terms of Reference.pdf Membership and appointment process covered within the Terms of Reference Pension Board -Terms of Reference PB Terms of reference cover membership. It is covered within the Terms of Reference that a separate document entitled "Selection of Pensions Board members" sets out the selection process of	Potentially. The Recommendations suggests that each fund will be required to publish a policy on the representation of scheme members and non-administering authority employers on its committees explaining its approach to representation and voting rights for each party. This was not included in the Consultation and so we await see whether this	Ensure that the Pension Fund website is updated to the latest version of the Terms of Reference. The Fund may wish to update Terms of Reference to include selection and nomination process summaries.

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
				Non-council nominated members. H&F Constitution	recommendation will be taken forward. Also, one of the KPIs in the Review deals with attendance at meetings.	
Arrangements for member-nominated trustee appointments	This module sets out the expectations for the processes to appoint member-nominated trustees.	**No.** The LGPS does not have trustees, member nominated or otherwise, this section relates to private sector occupational pension schemes.	Not applicable	Not applicable	No	Not applicable
Appointment and role of the Chair	This module sets out expectations for the appointment and role of the chair	**Good practice:** The expectations do not directly apply however as chair appointments are within the gift of each LGPS administering authority the module could be a useful marker.		Pension Fund Committee - ITEM 2. Terms of Reference.pdf The role of the Chair has been outlined within the Governance compliance statement and contains in-depth details as to the role and responsibilities of the Chair. Pension Board -Terms of Reference LPB Chair appointment process covered in terms of reference.	No	None.

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
				The appointment of the Chair has been covered within the terms of reference document.		
Meetings and decision-making	This module sets out expectations for meeting procedures – arrangements for meetings and record keeping. It sets out what must be included in their meeting records (Regulation 6 of the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014). In addition to the legislative requirements, it sets out matters that governing bodies, when running and planning meetings, should do e.g. frequency and length of meetings, standing items, keep records of decisions, conflicts of interest, risk register etc.	**Partial –** Regulation 6 refers only to pension boards. Committee or similar bodies are subject to arrangements for meetings and decision making as set out under relevant local government or other legislation		Written records of meetings are publicly available on the Administering Authority webpage. Committee details - Pension Fund Committee | London Borough of Hammersmith & Fulham Committee details - Pensions Board | London Borough of Hammersmith & Fulham	Potentially. Amongst the KPIs in the Good Governance Recommendations are ones dealing with attendance at meetings and the time spent on different areas of governance. Further, the proposal under the Consultation to appoint a "LGPS senior officer" (who will be required to lead and take responsibility for the delivery of the LGPS function) may also affect the meeting process.	The Fund should outline the decision-making process within key governance documents (see role of governing body module)
Remuneration and fee policy	This module sets out expectations around a governing body's	**Good practice.** The module says "Other schemes may wish to		Allowances/Remuneration for Elected Members The attached paper contains	No	None- The Fund does not need to comply with this

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
	remuneration policy. The module is for schemes required to operate an effective system of governance. It sets out what should be in a remuneration policy.	adopt these principles as good practice."		the rules and payment process of Member allowances and remuneration.		module - this is a matter of good practice and is not a "must" requirement of the Code for the Fund.

The governing body: Knowledge and understanding requirements

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Knowledge and understanding	This module sets out the expectations that trustees should follow including having a list of matters they need to be familiar with and to audit and review the skills of the governing body to identify gaps. There is a list of topics that anyone with a requirement for knowledge and understanding should have a working knowledge of.	**Yes, with exceptions**. The module says "*the requirements for knowledge and understanding fall on **pension board members**. It is good practice for the scheme managers to achieve at least basic competence.*" The obligation falls on the pension board. It is "good practice" for the scheme managers. Pension boards should tailor the list of topics according to their circumstances, but some are expressly excluded such as "principles of investment".		Item 2 Appendix 1 draft LBHF Pension Fund Annual Report 23-24.pdf The Fund outlines within the annual report and accounts the expectations of the key stakeholders and training topics which had been covered within the year.	Yes. The Consultation has adopted the Good Governance Recommendation on knowledge and understanding and has proposed each fund prepare a governance and training strategy. This will set out (amongst others) the fund's approach to governance and, knowledge and training. The requirements on knowledge and understanding are similar i.e. to identify gaps in knowledge.	Looking to the future, the Consultation, recommends that those in the management of the Fund (Committee, Senior Officer and Officers) have the capability to carry out their duties as required and exercise the correct level of oversight on investments, governance and administrative matters. We would recommend that the Fund adopt a Training Policy and to record

Module	TPR's expectations	Application to the LGPS No/Yes/Partial/Good practice	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
						training undertaken (and proposed) and to record/identify knowledge gaps.
Governance of knowledge and understanding	This module sets out expectations for governing bodies to maintain, develop and show knowledge and understanding. There are several lists setting out how the governing body should operate to use and retain knowledge and understanding, invest time to develop knowledge and keep records to assess gaps and overall compliance with knowledge and understanding.	**Yes, with exceptions**. It applies "*...to the **pension boards** of public service pension schemes.*" "*It is important that the.... pension board can demonstrate that, as a group, they possess the skills, knowledge, and experience to run the scheme effectively.*"		The Fund monitors training of the members through training logs. Training is also provided at Committee meetings.	Yes. See comments above.	As above.

The governing body: Value for scheme members

Module	TPR's expectations	Application to the LGPS Yes/No/Partial/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Value for members	This module requires the governing bodies of trust-based DC occupational pension schemes should assess, determine, and manage the costs/expenses borne by members represent good value for money.	**No**. Applies to trust-based occupational pension schemes providing DC benefits.	Not applicable	Not applicable	No	Not applicable

The governing body: Advisers and service providers

Module	TPR's expectations	Application to the LGPS Yes/No/Partial/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Managing advisers and service providers	This module sets out TPR's expectations for the selection, appointment, management and replacement of professional advisers and service providers. The module covers procurement, monitoring performance, management of a provider and the replacement of a provider whether at the end or during a contract.	**Good practice** i.e. **"**Other schemes may wish to consider [using the processes set out in the module" as good practice."		Investment Consultant Objectives The Fund complies with regulation and has in place objectives for the Investment consultant.	Potentially, because the Recommendations and the Consultation suggest a "senior LGPS officer" who (amongst other responsibilities) will be responsible for service delivery and process delivery i.e. timely and accurate pension payments.	This is not a "*must*" requirement under the Code, but the Fund may choose to adopt the requirements of this module. The Fund may wish to draft a high-level summary on the procurement and appointment process of advisers and may wish to provide more details on how other key advisers are monitored.

The governing body: Risk management

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Identifying, evaluating, and recording risks	This module sets out TPR's expectations for governing bodies to identify and record risks and to regularly review and evaluation those risks. The module sets out a list of potential risks and how to evaluate those risks.	**Yes**. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).		Risk register The Risk register is reviewed on a frequent basis- The LPB reviews at every meeting. Risk Management Policy The Fund has in place a dedicated Risk Management Policy.	Potentially but we expect the Code and the Recommendations to dovetail. In both the Recommendations and the Consultation, the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	None.
Internal controls	Having identified and evaluated the risks, the governing body should put in place internal controls to reduce the incidence and impact of those risks. The module says governing body's internal controls should include a clear separation of duties for those performing them and process for escalation and decision-making and require the	**Yes**. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).		We understand internal controls are built into working practices. The Council's internal audit team undertakes audits on a cyclical basis, and these could include audit or pension fund processes. Assurance around internal controls is also provided following reviews of specific areas	No	The Fund can address this module by ensuring that records of audit and assurance reporting and policies are retained and is accessible to requests by another party such as TPR.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
	exercise of judgment in assessing the risk profile and designing appropriate controls for the scheme.			undertaken by external audit		
Assurance reports on internal controls	This is the process of analysing procedures to assess whether the scheme or service provider meets the relevant legislative requirements on internal controls. Procedures include statutory and internal audit, and assurance reporting by service providers or as commissioned by the governing body.	**Yes**. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).		We were unable to locate any specific documents specifically for internal audit reports. Included in the Report and accounts is the Risk Management processes, and role conducted by the internal audit team.	The Recommendations are unlikely to add any further obligations, but it is worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	None, The Fund should ensure that all documents relating to assurance reporting are available for third-party requests (for example, TPR)
Scheme continuity planning	TPR expects governing bodies to develop and implement continuity plans to counter disruption to the scheme's activities.	**Good Practice**. Not a part of TPR's expectations for public service pension schemes *"..but it is good practice for them to consider carrying out continuity planning in the same way."*		It would be expected that the Fund falls under the contingency planning of the Administering Authority. The Fund considers risks to IT and has in place current controls to mitigate risks.	Unlikely – the Recommendations list this as a KPI but defers to the Code.	The Fund may wish to adopt its own continuity planning document to ensure that pension-specific items are covered.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Conflicts of interest **Governing bodies**	TPR expects governing bodies to establish internal controls to identify and record conflicts of interest	**Partially**. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. **Good practice**. Where conflicts of interest are not within section 249B, it is good practice to adopt the measures. In addition to the above, these already apply to the administering authority: • The Nolan Principles (The Seven Principles of Public Life) • the LGA's Model Councillor Code of Conduct 2000 • Chapter 7 (Standards) of the Localism Act 2011		Committee details - Pension Fund Committee | London Borough of Hammersmith & Fulham The administering authority publishes on the webpage the PFC and LPB registered interests as well as a documented code of conduct: Members' code of conduct Members are expected to declare any conflicts at the meeting.	Yes. It is anticipated that the administering authority will need to publish a specific conflicts of interest policy with a particular focus on conflicts which arise because of the authority managing its pension fund in the local authority environment. This has been emphasized in the Consultation and will extend the requirement for a conflict of interest policy to cover Committee members and the administering authority in its dual role.	Under the Government's consultation - "*Local Government Pension Scheme (England and Wales): Fit for the future*", one of the points for Consultation concerns conflicts of interest within administering authorities. The Fund may want to await the outcome before taking any further steps or it could develop a policy which covers the recommendations.
Conflicts of interest	TPR expects scheme managers to be satisfied a pension board member (potential or otherwise) has a conflict of	**Yes**. Under section 5 of the Public Service Pensions Act 2013 and paragraphs 22 to 24 of the Code set out TPR's		Declarations of interest at Pensions Board, 20 January 2024 - 30 January 2025 | London	Yes. The Consultation proposes a conflicts of interest policy which covers Committee	None – but note the availability of the Policy and the above

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Pension Boards	interest and for the scheme manager to circulate and publish the register of interests.	expectations for a pension board. See above for standards that already apply to administering authorities and councillors.		Borough of Hammersmith & Fulham Pension Board -Terms of Reference Code of Conduct Policy.pdf The Fund has limited wording included within the PB Terms of Reference as to the registering of conflicts. We note that the Pension Board has a Conflicts of Interest policy, however, we have been unable to locate a copy.	members and the administering authority because of the authority managing its pension fund in the local authority environment.	
Own risk assessment	TPR requires governing bodies of schemes required to have an effective system of governance to carry out an own risk assessment whereby it assesses how its ESOG is working	**Good practice**. The obligation does not apply to public service pension schemes because they do not need an ESOG under legislation (just internal controls) however the Code says: "*Governing bodies of other schemes may carry out an ORA as an example of good practice.*"	Not applicable	None	No	An ORA is a useful tool that does not apply to the LGPS but the Fund might wish to adopt.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good Practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Risk management function	Schemes which are required to have an ESOG should have a risk management function. The function should be structured so the governing body is able to adopt strategies, processes and reporting procedures so it can identify, evaluate and record risks and also to monitor and manage risks.	**No**. This module does not apply to public service pension schemes.	Not applicable	Not applicable	No	Not applicable

The governing body: Scheme governance

Module	TPR's expectations	Application to the LGPS (Yes/No/Partially/Good Practice)	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Systems of governance	This module is an overarching module setting out TPR's expectations on a scheme's systems of governance and internal controls. Internal controls cover: • The arrangements and procedures to be followed in the administration and management of the scheme. • The systems and arrangements for monitoring the administration and management and the arrangements and procedures to be followed for the safe custody and security of the scheme assets.	**Yes, to the extent that requirements are internal controls**. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.	Not assessed	As this is an overarching module, we look to the individual modules for compliance.	Potentially. This module covers a wide area and conflict of interests is covered in both (see above for more details).	None, but see actions against other modules.

Funding and investment: Investment

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Investment governance	This module sets out TPR's expectations on investment governance -the policies and procedures that ensure a governing body complies with any obligations relating to investment. Any such policies will be tailored to the specific scheme. Amongst other things, governing bodies are expected to have a good working knowledge of investment matters, understand the legislation and appoint appropriately qualified persons to advise before taking an investment decision as well as have the knowledge to understand and question any such advice.	**Good practice**. The Code says "*The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is **good practice** for them to approach investment governance in the same way.*"		Pension Fund Investment Strategy Statement 2023 to 24 The Investment Strategy Statement outlines the governance approach and decision-making process, expectations on training and understanding.	The Consultation proposes that the LGPS pools will implement the investment strategy developed by the fund. The fund's governance process will change as a result with its role limited to oversight and development of the strategy.	None
Investment decision-making	This module sets out TPR's expectations on the decision-making process of the governing body in relation to investments. As well as decision-making processes,	No. This applies to trust-based occupational pension schemes.	Not applicable	Not applicable	See above comment.	Not applicable

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
	TPR expects governing bodies to be able to evaluate advice, consider the costs, have clear terms of reference for sub-committees and regularly assess the effectiveness of the decision-making and governance process.					
Investment monitoring	This module sets out TPR's expectations on monitoring and reviewing investment performance. Having processes to monitor investment performance and the performance of the investment manager as well as the risks associated with an investment and investment manager.	**Good practice**. The Code says "*The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is* ***good practice*** *for them to approach investment governance in the same way.*"		We note that the Independent Investment Adviser attends PFC meetings least quarterly. Investment managers attend meetings.	See comment above.	None.
Stewardship	This module sets out TPR's expectations for a governing body's policies on financially material ESG considerations, voting rights, relationships with asset managers, engagement with issuers of investments on their social and	**Good practice**. The Code says "*We recommend that governing bodies with investment responsibilities follow the expectations…even if they are not legally required to have an ESOG*"		H&F Pension Fund Responsible Investment Statement 2022 The Fund covers engagement with advisers and asset managers within the RI statement.	See comment above.	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
	environmental impact and corporate governance.			LBHF Pension Fund Final Annual Report 21-22 The annual accounts also reference the Stewardship Code and the Funds position on this.		
Climate change	TPR expects schemes to understand how climate/environment risks impact upon their investments as part of their risk assessment and to understand the risks and opportunities associated with climate change. Schemes should document its processes for doing so.	**Partially.** The module, in the section headed "Managing scheme risks from climate change" says: **Yes** – as the LGPS is required to operate internal controls, it should assess the risk associated with climate change (paragraph 7). **Good practice**. Paragraphs 8 and 9 refer to schemes requiring to operate an ESOG (which does not include the LGPS) under which TPR sets out its expectations for managing risk and suggests		H&F Climate and Ecology Strategy H&F Pension Fund Responsible Investment Statement 2022 The Fund covers climate change within RI statement and Climate and Ecology Strategy.	See comment above.	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
		"Other governing bodies may wish to consider these [expectations] as good practice".				
Statement of Investment Principles	A Statement of Investment Principles (SIP) sets out a governing body's investment strategy, including the investment objectives and investment policies they adopt.	**Good practice (partially).** The Code says "In cases where preparing a SIP is not a legal requirement, in our view, it would be good practice for governing bodies to prepare a document that is similar in nature, and to publish it online as if the SIP was required."		Pension Fund Investment Strategy Statement 2023 to 24 The Pension Fund has a documented and publicly available Investment Strategy Statement as required by Regulation 7 of the LGPS (Management and Investment of Funds) Regulations 2016.	No	None
Default arrangements and charge restrictions	The TPR expects governing bodies of defined contribution schemes to ensure that its default arrangements meet the requirements of the legislation. The module also links in with the module on value for money, investment governance and SIPs.	**No**. This module does not apply to the LGPS.	Not applicable	Not applicable	No	None

Administration: Scheme administration

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Planning and maintaining administration	This module sets out TPR's expectations on the administration of the scheme by the governing body. Those expectations include understanding the scope of the administrator's role, have administration as an agenda item, administrator to provide reports, monitoring and manage performance.	**Yes.** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 which sets out the records that public service must maintain and every such scheme should have internal controls.	NA see actions required column	As this is an overarching module, the Fund should look to the individual modules for compliance.	Yes, but we would expect the requirements of the Code and the Recommendations to coincide with each other. There are several KPIs set out within the Recommendations that are linked to service performance. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLA (under both the Recommendations and the Consultation.	As this is an overarching module, the Fund should look to the individual modules for compliance None, but see actions against other modules.

Administration: Information handling

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Financial transactions	This module sets out TPR's expectations around transactions which involve the processing of money. The module focusses on the two key areas: Governance processes and IT systems – understand the administrator's processes and controls including authorisation, reviews of processes, standards and service level agreements, management of employer contributions. Investing contributions (if applicable)	**Yes.** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body ***must*** maintain. Under section 249B of the Pensions Act 2004, scheme managers are required to establish and operate internal controls.		Appendix 3 - LBHF Pension Fund Audit Findings Report 2023-24.pdf The Funds external auditors review financial transactions as part of the annual review. Appendix 4Risk Register Jun 24.pdf Accounting transactions have been included in the risk register	No	None.
Transfers out	This module sets out the expectations around the processes and checks that a governing body should	**Yes**, it mostly applies (some relate to DC schemes and private sector defined benefit		The Fund's Administrator LPPA has in place a transfer RAG check which outlines process and	No	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
	undertake before permitting a transfer out of the scheme to go ahead. This includes checking the statutory requirements are met and be vigilant of scams and there is also a separate list of expectations for transfer to defined contribution schemes.	schemes). The expectations follow the requirements for transfers out under the Pension Schemes Act 1993 and the Pension Schemes Act 2015 (and accompanying regulations)		requirements before a transfer has been completed. We would expect that these processes are reviewed as a part of the internal audit reviews. Transferring your pension out | Hammersmith and Fulham Pension Fund – The Fund has in place a webpage on transferring LGPS benefits for members.		
Record keeping	This module sets out TPR's expectations on the governing body's need to maintain complete and accurate records and covers record keeping, administrative systems and data from other parties.	**Yes.** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body ***must*** maintain. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the		pension-administration-strategy-2022-final.pdf Record keeping is covered at within the Administration Strategy. The Strategy also covers the roles of the Fund, Administrators and Employers to maintain accurate records.	Potentially, although we think it unlikely that the Recommendations will add to the obligations under the Code. Data quality is one of its KPIs. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
		scheme is administered and managed in accordance with legislation.		hfpf-personal-data-retention-policy-1022-v2.pdf The Fund has a data retention policy in place, this policy highlights the data retained by the Fund.	(also repeated under the Consultation).	
Data monitoring and improvement	This module sets out TPR's expectations for governing bodies for the purpose of maintaining complete and accurate data. It focusses on the processes for monitoring, reviewing and protecting scheme data.	**Yes.** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body ***must*** maintain. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.		The Fund's administrators present to the Committee on current administration projects such as: • Valuation • Pensions Dashboard • McCloud The Committee received a presentation which highlights member data passing through data validation checks.	See comment above.	We would recommend that the Fund puts in place a Data Monitoring and Improvement strategy

Administration: IT

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Maintenance of IT systems	This module concerns TPR's expectations on the processes adopted by governing bodies to put appropriate systems in place i.e. that meet the scheme's legal requirements, to review and maintain such systems and to challenge providers.	**Yes.** The Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Administering Authority would be expected to maintain IT systems for the Fund. It would be expected that the IT systems would be reviewed as part of the internal review process.	No	None, however, where services are provided by a third party – the Fund may want to include any outcomes of assurance reviews that may have been carried out.
Cyber controls	This module sets out TPR's expectations for governing bodies in their identification of, management and recovery from cyber incidents and how to reduce the risk of such incidents occurring.	**Mostly applies, good practice for where there is no obligation on scheme managers of public service pension schemes.** Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Fund administrators have the required certification (Cyber Essentials Certificate) and the Head of IT at the LPPA reports to Pension Fund Committee on an annual basis. The Fund also complies with the Cyber Security policies	Unlikely – the Recommendations list this as a KPI but defers to the Code.	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
		The Code says "*the legal obligation to establish cyber controls is different for public service pension schemes. As far as cyber controls is a matter set out in the scheme rules or in the requirements of the law, scheme managers of public service pension schemes must establish and operate adequate internal controls in relation to them. In such cases, internal controls need to include measures to manage cyber risk. To the extent that there is no legal obligation on scheme managers of public service pension schemes to adopt these cyber risks measures, we consider it good practice to do so.*" TPR has published separate guidance on cyber security.		of the Administering Authority. It should be noted that MHCLG intends to consider Cyber Assessment Framework for Councils 2024 (although the new minister has not confirmed that this will still be published).		

Administration: Contributions

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Receiving contributions	This module sets out the processes that governing bodies ***must*** have in place to monitor contributions and transmission of payment information between employer, members, and administrator.	**Mostly applies**. The Code says "*Governing bodies of public service pension schemes that are exempt **should** develop a record to monitor contributions payments to the scheme (a contributions monitoring record). This should comply with scheme regulations where relevant. Governing bodies should prepare the record for monitoring contributions in consultation with scheme employers.*" Regulation 69 of the LGPS Regulations 2013 set out the requirements for the LGPS.		pension-administration-strategy-2022-final.pdf Included within the Administration Strategy are responsibilities with regard to contributions. The Administration Strategy also includes high level wording on monitoring. We would expect strong processes for the reconciliation to be in place and reviewed by both internal and external audit teams.	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code. The Consultation repeats this.	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Monitoring contributions	This module sets out TPR's expectations on the governing body's process to check contributions due and to reconcile them with what is in practice paid to the scheme.	**Yes.** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 applies to the LGPS. Also, Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		See comment above relating to the Administration Strategy under "Receiving contributions". It would be expected that the process of monitoring and reconciliation of contributions is reviewed as a part of the internal audit process and considered in assurance reports.	See comment above.	None. The Fund may wish to include links to processes and documentation for monitoring (for internal purposes)
Resolving overdue contributions	This module sets out TPR's expectations on the governing body's process to obtaining overdue payments and rectifying administrative errors.	**Yes**. Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		See comment above relating to the Administration Strategy under "Receiving contributions". It would be expected that processes are in place to resolve overdue contributions and are reviewed as a part of the internal audit process and considered in assurance reports.	See comment above.	None. The Fund may wish to include links to processes and documentation/ spreadsheets for monitoring contributions (for internal purposes)

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
				The Fund also includes within the breaches policy, reporting to regulator any contribution failures which are likely to be of material significance.		

Communications and disclosure: Information to members

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or consultation?	Actions required
General principles for member communications	This module sets out TPR's expectations for the provision of information to members by reference to the legal requirements and in terms of how the information should be presented and communicated to them.	**Yes**. Legislation sets out what ***must*** be communicated to members - Regulation 6 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013		hfpf-communications-policy-final.pdf The Fund has in place a Communications Policy outlining its requirements and method of communication to key stakeholders.	The Review contains several KPIs on engagement and communication and the take up of online services (and employer engagement events).	None.
Annual pension benefit statements (DC)	Governing bodies of certain schemes ***must*** provide annual benefit statements to members.	**Yes – in respect of AVCs** – Regulation 17 of the Occupational and personal pension schemes (Disclosure of Information) Regulations 2013.		Increase my payments | Hammersmith and Fulham Pension Fund The Fund has a webpage on AVCs in place. However, there is no information on benefit statements. It is the responsibility of the AVC provider to issue annual benefit statements. The	No	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or consultation?	Actions required
				Communications Policy outlines that additional pension contributions are electronically available.		
Summary funding and pension benefit statements (DB)	Governing bodies of certain schemes ***must*** provide summary funding statements and benefit statements (on request) to members. Details to be included in each are set out in the module.	**No**. The LGPS is exempt from providing these statements pursuant to Regulation 15 and Schedule 4 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.	Not applicable	Not applicable	Not applicable	Not applicable
Benefit information statements	This module is aimed solely at public service pension schemes. Scheme managers of public service pension schemes must provide all active members with an annual benefit statement and to also do so for other members on request. Details on what to include are set out in the module.	**Yes**. Regulation 16 and 17 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and section 14 of the Public Service Pensions Act 2013. Regulation 89 of the LGPS Regulations 2013 specifically provides that administering authorities ***must*** issue		hfpf-communications-policy-final.pdf Communications Policy outlines the Funds responsibility to issue annual benefit statements.	No	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or consultation?	Actions required
		an annual benefit statement to each of its active, deferred, deferred pensioner and pension credit members.				
Retirement risk warnings and guidance	The module concerns members with a defined contribution or cash balance pot and the ability to draw flexible benefits from the scheme. The governing body must issue a statement to members giving information about their options and guidance.	**Yes**. Applies to relation to the AVC benefits.		Increase my payments | Hammersmith and Fulham Pension FundThe Fund has in place webpages that provide guidance to scheme members. It would be expected that the risk warnings are included in packs that are sent out to members.	No	None.
Notification of right to cash transfer sum or contribution refund	This module broadly follows the legislation relating to cash transfer sums or contribution refunds.	**Yes**. Cash transfer sums and contribution refunds are permitted under section 101AB.of the Pension Schemes Act 1993.	Regulations 18 (contribution refund) and 96 (cash transfer sums) of the LGPS Regulations 2013.	Transferring your pension out | Hammersmith and Fulham Pension Fund Leave the scheme | Hammersmith and Fulham Pension Fund The Fund has web pages that provide details as to	No	None.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or consultation?	Actions required
				the process for cash transfers and refunds.		
Chair's statement	This module covers the requirement under legislation for certain occupational pension schemes that provide defined contribution benefits to provide chair statement.	**No.** It does not apply to public sector schemes made under section 7 of the Superannuation Act 1972 (the LGPS was made under that Act).	Not applicable	Not applicable	No	None
Scams	This module sets out TPR's expectations on a scheme's internal controls to mitigate the risk of scams.	**Yes**. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.		It would be expected as a part of the internal audit processes that mitigation against pension scams is reviewed. We have been unable to locate documentation on internal controls. Appendix 4Risk Register Jun 24.pdf LPPA have in place a Financial Crime Policy which is presented to the Fund.	No	The Fund has confirmed that the addition of Pension scams is being included within the latest updates to the risk register.

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or consultation?	Actions required
Audit requirements	The module sets out TPR's expectations on publishing audited accounts and the auditor's statement.	**No**. The audit requirements that TPR refer to stem from the requirement for occupational pension schemes to appoint certain professional advisers under section 47 of the Pensions Act 1995. Statutory schemes are exempt.	Not applicable	Not applicable	No	None

Communications and disclosure: Public information

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Publishing information about public service schemes	This module is aimed solely at public service pension schemes. It sets out TPR's expectations of the scheme manager to publish certain information about the pension board and keep that information up to date. It lists the information that should be published about the board and its activities.	**Yes.** This module concerns information on the pension boards of public service pension schemes.		The Fund also publishes key information relating to both LPB and PFC on the Administering Authority webpages contains details on the membership (Additional information can be found on the Role of the Governing Body)	No	None.
Dispute resolution procedure	The module has two parts to it. Most of the obligations relate to the dispute resolution process and largely repeats the requirements of the LGPS regulations. Separately, the module expects that governing bodies regularly assess the effectiveness of the dispute resolution procedure.	**Yes**.		PowerPoint Presentation The Fund publishes an IDRP guide. The document does contain detail on timelines of responses, decision-making process and time periods. Complaints and appeals • Local Pensions Partnership Administration LPPA have detailed wording on the IDRP process.	No	None.

Reporting to TPR: Regular reports

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Registrable information and scheme returns	Governing bodies ***must*** provide all registrable information when registering the scheme and to update such information within 5 working days of it becoming aware of a change.	**Yes**, it is a legal requirement to do so under section 59 of the Pensions Act 2004 (and The Register of Occupational and Personal Pension Scheme Regulations 2005).		The Fund has in place a process to update the registerable information and scheme returns.	No	None. We would recommend that the Fund update the Governance Compliance Statement (to highlight roles and responsibilities to address this module).
Scheme returns	Governing bodies ***must*** complete a scheme return. Governing bodies are accountable for the information contained in the scheme return and they should have measures in place to review and ensure the accuracy of the information to be submitted is correct and	**Yes,** it is a legal requirement to do so under section 64 of the Pensions Act 2004.		As above	No	As above

that the return is submitted in time.				

Reporting to TPR: Whistleblowing – reporting breaches of the law

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
Who must report	This module sets out TPR's expectations on who ***must*** report breaches of the law in relation to the administration of the scheme. It lists both the scheme manager and the pension board as persons who should report and also, employers, service providers and professional advisers. Training should be provided to ensure people are able to understand the process for identifying and reporting any breach.	**Yes**. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Breaches Policy.pdf The Fund has in place a Breaches of the Law Policy and it outline who must report.	No	None.
Decision to report	This module sets out the considerations when deciding whether a breach is reportable and how a reporter should proceed.	**Yes**. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Covered within the Breaches of the Law Policy.	No	

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Recommendations and/or Consultation?	Actions required
How to report	TPR expects governing bodies to establish and operate procedures for meet their legal duties and the module sets out a list of key elements to a reporting process.	**Yes**. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Breaches Policy.pdf Covered within the Breaches of the Law Policy.	No	None.
Reporting payment failures	This module sets outs the requirements when contributions are not paid on time and sets out how a governing body can determine whether the failure to pay is likely to be of material significance to TPR.	**Yes**. The duty to report late payment of employer contributions rests with the scheme manager under the LGPS (Public Service Pensions Act 2013).		Appendix 2 - Breaches Policy.pdf We have located the above documentation which outlines reporting of payment failures.	No	The Fund may wish to consider including payment failure within the main breaches policy.

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