

Appendix E Good Governance Phase 3 Progress

Area of Governance

June 2020 Position

May 2021 Position

General

A1	MHCLG will produce statutory guidance to establish new governance requirements for funds to effectively implement the new proposals below. ("the Guidance")	Awaiting production of the guidance.	Final report states: "The intention throughout this review has been that any SAB recommendations should be enacted via the introduction of new statutory guidance which will supercede current guidance. It was felt that this approach would be quicker and more responsive than relying on changes to secondary legislation. The LGPS regulations contain a provision that allows the secretary of state to issue guidance on the administration and management of the scheme." Action Completed.
A2	Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund. ("the LGPS senior officer")	The LGPS Senior Officer for Leicestershire is Chris Tambini	Action Completed.
A3	Each administering authority must publish an annual governance compliance statement that sets out how they comply with the governance requirements for LGPS funds as set out in the Guidance. This statement must be signed by the LGPS senior officer and, where different, co-signed by the S151 officer.	Awaiting production of the guidance.	A compliance statement is produced as part of the annual report and the latest was included in the 2020 report. Action Completed.

Conflicts of Interest

B1	Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, including reference to key conflicts identified in the Guidance.	Ongoing, currently being looked at as part of the Pensions Committee's Terms of Reference Review.	A policy document has been prepared and is due to be brought to this meeting for comment then taken to the Local Pension Committee in June.
B2	Original Text: "The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB." This has now been updated to: "The Guidance should include reference to the latest available legal opinion on how statutory and fiduciary duties impact on all those involved in the management of the LGPS, and in particular those on decision making committees."	Awaiting production of the guidance.	Awaiting production of the statutory guidance.

Representation

C1	Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on it's committees, explaining it's approach to representation and voting rights for each party.	The Board currently has representatives from County, City and Leics Constabulary. Every scheme member has the opportunity to be a member, so no one is excluded. To comply with Governance, this point may need to be stressed within the Board's Terms of Reference.	Wording to be strengthened within the 2020/21 Governance Compliance Statement and as part of the next terms of reference review.
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Knowledge and Understanding

D1	Introduce a requirement in the Guidance for key individuals within the LGPS, including LGPS officers and pensions committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.	A training policy for board and committee members was approved by the Pension Committee on 8th November 2019 and the Local Pension Board on 16th September 2019.	The training records for the board and committee members will be added to the next Governance Compliance Statement which will be included in the 2021 Annual Report.
D2	Introduce a requirement for S151 officers to carry out LGPS relevant training as part of their CPD requirements to ensure good levels of knowledge and understanding.	The current policy covers "Officers involved in the management of the fund".	Action completed.
D3	Administering authorities must publish a policy setting out their approach to delivery, assessment and recording of training plans to meet these requirements.	Pension Board training policy (approved September 2019) meets this criteria.	The current policy, which was approved in September 2019 is due to be reviewed and issues around measuring and assessing members knowledge will be given consideration. Officers continue to work with Board and Committee Members regarding their knowledge and understanding and future training sessions will be organised around agenda items and key areas of importance.
D4	CIPFA and other relevant professional bodies should be asked to produce appropriate guidance and training modules for S151 officers and to consider including LGPS training within their training qualification syllabus.	Awaiting production of the guidance.	Awaiting production of the guidance.

Service Delivery for the LGPS Function

E1	Each admin auth must document key roles and responsibilities relating to the LGPS fund and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution and be consistent with role descriptions and business procedures	To be addressed.	An initial draft has been prepared. Currently awaiting statutory guidance to ensure all requirements are covered in this document.
E2	Each admin auth must produce an admin strategy	Admin and Comms strategy already in place and is reviewed every two years	Action completed. Next review due January 2022.

E3	Each admin authority must report the fund's performance against an agreed set of indicators designed to measure standards of service	CIPFA will work with AON to agree a standard set of KPIs to benchmark performance. Awaiting further information on this.	A document covering this has been produced and this is covered separately.
E4	Each admin authority must ensure their committee is included in the business planning process. Both the committee and senior LGPS officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.	A specific Pensions business plan and a separate Pension Fund budget was approved by the Local Pension Committee on 28th February 2020. Initially this is a one year budget (2020/21) but in time will be developed into a four year budget in line with the Council's Medium Term Financial Strategy.	A three year Pension Fund Budget and Business Plan was approved at the Local Pension Committee meeting that took place on 26th February 2021 (Link in Background Papers section of the Report).
E5	Each admin authority must give proper consideration to the utilisation of pay and recruitment policies , including as appropriate market supplements, relevant to the needs of their pension function. Administering authorities should not simply apply general council staffing policies such as recruitment freezes to the pensions function.	This practice is already in place.	This has now been removed from the Good Governance requirements.

Compliance and Improvement

F1	Each admin authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.	Awaiting production of the guidance.	To be addressed, once further information has been obtained.
F2	LGA to consider establishing a peer review process for LGPS funds	Awaiting production of the guidance.	To be addressed, once further information has been obtained.