

Lancashire Local Pension Board

Meeting to be held on Tuesday, 14 January 2020

Electoral Division affected: (All Divisions);
--

'Good Governance in the LGPS' Project Update (Appendix 'A' refers)

Contact for further information: Mukhtar Master, Governance & Risk Officer,
Lancashire County Pension Fund (01772) 5 32018
mukhtar.master@lancashire.gov.uk

Executive Summary

Hymans Robertson have recently published their update on Phase II of the 'Good Governance in the LGPS' project.

The Phase II Report makes numerous recommendations to try and improve governance arrangements for LGPS funds. Final proposals for Phase III of the project will be considered by the Scheme Advisory Board when it next meets on the 3rd February 2020. Once these proposals are produced the officers will review them against the current governance arrangements for the Lancashire County Pension Fund and recommend any necessary changes to the Pension Fund Committee.

Recommendation

The Board is asked to note the report.

Background and Advice

In July 2019, Hymans Robertson presented a report to the Scheme Advisory Board titled 'Good Governance in the LGPS'. As a consequence of the report, the Scheme Advisory Board decided to establish two working groups to take forward Phase II of the project. The two work streams focused on:

1. Standards and Outcomes;
2. Compliance and Improvements.

The findings of the two working groups covered the following areas:

- General Governance;
- Conflicts of interest;
- Representation;
- Skills and training;
- Service delivery for the LGPS function;
- Compliance and improvement.

Recommendations have been proposed for each of the areas stated above. Some of the key proposals include:

- the requirement for a pension fund-specific conflicts of interest policy;
- additional knowledge and understanding requirements for key individuals – including s151 officers and pension committee members;
- the requirement for administering authorities to measure and report their performance against an agreed set of indicators;
- a requirement for administering authorities to give proper consideration to the recruitment and retention of staff to its pension function, in order to deliver an effective service.

The full set of recommendations can be found at 'Page 12' of the report set out at Appendix 'A'.

On the 6th November 2019 the Scheme Advisory Board agreed that Phase III of the project, including draft statutory guidance on governance compliance statements and establishing a set of key performance indicators, should now be developed.

Final proposals for Phase III of the project will be considered by the Scheme Advisory Board when it next meets on the 3rd February 2020. Once these proposals are produced the officers will review them against the current governance arrangement for the Pension Fund and recommend any necessary changes to the Pension Fund Committee.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

N/A

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate
N/A