

Report for: Pensions Committee and Board – 2 December 2021

Title: Good Governance in the Local Government Pension Scheme Project

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board with an update on the progress of the Good Governance in the Local Government Pension Scheme (LGPS) project and the possible actions the Pension Fund might take ahead of the formal introduction of Regulations and/or Statutory Guidance from the Department for Levelling Up, Housing and Communities (DLUHC).

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note and consider the Independent Advisor's Good Governance in the Local Government Pension Scheme (LGPS) Project paper, appended as Appendix 1 to the report, and in particular the potential implications and possible actions for the Haringey Pension Fund.

4. Reason for Decision

- 4.1. This report considers the implications of the "Good Governance in the LGPS" proposals for the LGPS generally and suggests a number of the proposals that the Pension Fund could potentially implement ahead of formal guidance from DLUHC on the next steps. The implementation of the suggested proposals would further enhance the existing governance arrangements of the Pension Fund.

5. Other options considered

5.1. Not applicable.

6. Background information

6.1. In August 2018, the Scheme Advisory Board (SAB) invited proposals from interested parties to assist in developing options for change regarding the relationship between the LGPS Pension Funds and their existing host (administering) authorities for consideration prior to potentially making recommendations to the Secretary of State.

6.2. The project was subsequently named the Good Governance in the LGPS project and has been conducted in three phases. A summary of the key outcomes from each phase have been summarised below.

Project Phase	Outcome
Phase I	Proposed a framework for improving governance at individual Fund level based on an 'outcomes-based' approach.
Phase II	Established two stakeholder working groups to develop a detailed plan to implement the conclusions from Phase I. The Pension Fund's Independent Advisor was a member of both working groups. The Phase III report made the following recommendations: <ul style="list-style-type: none">• DLUHC to produce Statutory Guidance to implement the proposals of the Phase II report• Each Administering Authority must designate "the LGPS Senior Officer"• Each Administering Authority must publish an annual Governance Compliance Statement• Each Administering Authority must undergo a biennial Independent Governance Review
Phase III	Final phase of the project and the focus of the Independent Advisor's report.

6.3. The final (Phase III) report and an Action plan were considered and published by the SAB in February 2021. The Action Plan which SAB has forwarded DLUHC is a formal request from SAB to DLUHC to implement the proposals of the project.

6.4. It is anticipated the DLUHC will issue a formal Consultation and then issue amendments to the LGPS Regulations and Statutory Guidance to require all 87 LGPS Administering Authorities in England and Wales to implement the Good Governance in the LGPS project.

6.5. However, given the number of other Consultations that DLUHC need to issue/respond to it may be some considerable time before the final proposals of

the Good Governance in the LGPS project are put into the LGPS Regulations and relevant Statutory Guidance issued.

6.6. Notwithstanding this anticipated delay by DLUHC there are several proposals from the Good Governance in the LGPS project that the Haringey Pension Fund could potentially implement prior to the issuing of any new LGPS Regulations/Statutory Guidance. Such early implementation should enhance the governance of the Pension Fund.

6.7. The attached paper from the Independent Advisor, in Appendix 1 to this report provides an update on developments in the Good Governance in the LGPS project and considers the potential implications and possible actions for the Haringey Pension Fund including actions that could be taken to improve Fund governance ahead of any issuing by DLUHC of new LGPS Regulations and/or Statutory Guidance.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. There are no direct financial implications arising from this report.

Head of Legal and Governance (Monitoring Officer)

8.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report, the potential changes (if implemented) will have implications for the Administering Authority in the way it administers the Pension Fund. Further advice will be provided once those changes (if any) are confirmed.

Equalities

8.3. There are no equalities issues arising from this report

9. Use of Appendices

9.1. Appendix 1: The Independent Advisor's "Good Governance in the LGPS" project update

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.