

Report for: Pensions Committee and Board – 2 December 2024

Item number:

Title: Haringey Pension Fund Governance Review

Report authorised by: Taryn Eves, Director of Finance (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. At the meeting held on 5 March 2024, the Pensions Committee and Board (PCB) commissioned the Pension Fund's Independent Advisor to undertake a review of the Haringey Pension Fund's governance arrangements. This report presents the PCB with the findings of the review and offers several recommendations.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note this report and the information provided regarding the findings of the review of the Haringey Pension Fund's governance arrangements.
- 3.2. To note Appendix 1 of this report "An Independent review of the Governance arrangements of the Local Government Pension Scheme (LGPS) as Administered by the London Borough of Haringey (LBH)," prepared by the Pension Fund's Independent Advisor, John Raisin Financial Services Limited.
- 3.3. To accept all of the 26 recommendations of the governance review set out in the Report and delegate their implementation to the Section 151 Officer, with an implementation plan to be presented at the next meeting of the Pensions Committee and Board.

4. Reason for Decision

- 4.1. The Pensions Committee and Board must regularly review the Pension Fund's governance arrangements to ensure they remain fit for purpose and comply with relevant legislation, regulations and best practices.

5. Other options considered

5.1. Not applicable.

6. Background information

- 6.1. Following the Pensions Regulator's (TPR) consultation on a new Code of Practice, published on 10 January 2024, the Pensions Committee and Board (PCB) agreed to conduct a review of the Pension Fund's governance arrangements with the aim to ensure compliance with General Code that came into effect on 27 March 2024.
- 6.2. Appendix 1 of this report presents the findings of a comprehensive review conducted by the Pension Fund's Independent Advisor, John Raisin Financial Services Limited. The review considered the Agendas, Minutes, and relevant reports considered by the PCB since its first meeting on 20 September 2016, with a particular focus on the period of 1 April 2022 to 30 September 2024.
- 6.3. While this review includes specific references to the 2024 General Code and observations derived from it, it is not a comprehensive assessment of the Haringey Pension Fund's compliance with the TPR General Code of Practice.
- 6.4. However, the review's findings offer 26 recommendations for the PCB's consideration, including a recommendation that the PCB receive a report on the outcomes of such an assessment once the Pension Fund has completed it.

Approach to the governance review

- 6.5. The review was structured around 13 key themes relevant to the Fund's governance and management. These themes are as follows:
 - The role and activity of the Pensions Committee and Board (PCB)
 - Business Planning and Budgeting
 - Knowledge and Skills
 - Internal Control, Risk Management, and Internal Audit
 - Conflicts of Interest and Reporting Breaches of the Law
 - Approach to Investment Issues
 - Approach to Pensions Administration Issues
 - Approach to Actuarial Issues
 - The Investment & Governance Working Group
 - Relationship with the London Collective Investment Vehicle
 - The extent to which the PCB receives support and advice
 - Some observations on Officer resourcing
- 6.6. Within these themes, reference is made to legislation, regulation, statutory guidance, and best practice guidance. This includes the published work of the LGPS Scheme Advisory Board (SAB) project "Good Governance in the LGPS".

6.7. The review also considers the support provided to the PCB by Senior Fund Officers and advisors. It also considers the relationship between the Haringey Pension Fund and its Asset Pool, the London CIV.

Summary of findings and conclusions

6.8. Overall, the review concludes that the PCB has exercised careful and considered oversight and made positive decisions regarding the London Borough of Haringey Pension Fund. Based on the information provided and evidence examined, the review finds that PCB members have diligently discharged their responsibilities during the period from April 2022 to September 2024.

6.9. Other notable findings are as follows:

- The level of support provided by the Officer team, Investment Consultation and Actuary was deemed to be of a very high standard.
- The introduction of the Investment & Governance working group in 2023 was identified as a hugely positive development.
- Business Planning & Budgeting, Risk Management, and Knowledge & Skills were identified as key areas of further improvement.

Next steps

6.10. To fully implement the recommendations identified by the review, a detailed implementation plan will be required. If these recommendations are accepted by the PCB, the Section 151 Officer will thoroughly examine these recommendations and present an implementation plan to the PCB at its next meeting.

6.11. This process will likely require additional resources to make significant progress on the identified areas of development proposed in this review.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

8.1. Not applicable

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

Finance and Procurement

9.1. This report has no immediate financial implications. However, the proposed areas of development outlined in the report will likely require additional resources, resulting in an increase in costs for the Pension Fund.

9.2. Any such assessment of cost will be considered as part of the Pension Fund's Business Planning & Budgeting process.

Assistant Director of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.3. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. The Governance Review Report makes a number of recommendations which are designed to better improve the governance of the Pension Fund. If the PCB accepts these recommendations, there will need to be consultation with legal as to how best to implement some of these recommendations. This may include the need to amend the Council's constitution and implications in respect of procurement.

Equalities

- 9.4. Not applicable.

10. Use of Appendices

- 10.1. Appendix 1: An independent review of the Governance arrangement of the Local Government Pension Scheme (LGPS) as Administered by the London Borough of Haringey (LBH)

11. Local Government (Access to Information) Act 1985

- 11.1. Not applicable.