

Report for: Pensions Committee and Board 20th July 2017

Item number:

Title: Governance Report

Report authorised by: Tracie Evans, Deputy Chief Executive (CFO and S151 Officer)

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

- 1.1. The purpose of the paper is provide an update to Committee and Board:
- on progress toward compliance with Scheme Advisory Board (SAB) key performance indicators;
 - to highlight areas where improvement is still needed in order to achieve full compliance.
 - To provide an update on progress toward implementing the recommendations from the Governance Review that was undertaken by the Independent Advisor to the Fund.
 - To note that the Fund is requesting that all Fund Managers sign up to the Scheme Advisory Board (SAB) cost transparency code which was published earlier this year.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. The Committee and Board should note progress since the last report to the Committee and Board on performance against SAB's key indicators and recommendations from the governance review.
- 3.2. That the Committee and Board note that Haringey will request that all managers sign up to SAB's cost transparency code, and note the contents of Appendix 3: a report on the new code of transparency from the Fund's Independent Adviser John Raisin.

4. Reason for Decision

4.1. None.

5. Other options considered

5.1. None

6. Background information

6.1. The SAB was set up by Government to advise the DCLG on LGPS matters and provide guidance to administering authorities on good pensions practice. The SAB is not a regulator such as The Pensions Regulator and has no powers to direct or intervene in the affairs of the pension fund. However, it will publicise poor practice and it has the ability to notify DCLG or The Pensions Regulator when it believes action is necessary.

6.2. SAB has developed a number of key performance indicators to assist pension funds identify areas of weakness and how to improve fund's management and administration across all LGPS.

6.3. The Fund continues to improve in terms of achievement of KPIs in the SAB model with a score is of 43 out of 59 – a 73% achievement rate.

6.4. The areas of improvement that have led to an increased score have been highlighted in appendix 1.

6.5. A summary of recommendations from the governance review undertaken by the independent advisor is set out in appendix 2.

6.6. SAB have recently published the Code of Transparency on investment fees and costs, this is to enable LGPS funds to have greater oversight and understanding of fees charged by fund managers. It is in the best interests of the fund to request that all fund managers sign up to this.

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 financial implications arising from this report.

Legal Services Comments

8.2. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

8.3. None applicable.

9. Use of Appendices

9.1. Appendix 1: Scheme Advisory Board Performance Indicators
Appendix 2: Governance Review – Follow Up Action Required
Appendix 3: Scheme Advisory Board Code of Transparency

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.