

Report for: Pensions Committee and Board 14 September 2017

Item number: 10

Title: Governance Report

Report authorised by: Clive Heaphy, 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.

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.

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 45 out of 59 – a 76% achievement rate and an improvement of 2 points since the last meeting.
- 6.4. The areas of improvement that have led to an increased score have been highlighted in appendix 1.
- 6.5. A summary of outstanding recommendations from the governance review undertaken by the independent advisor is set out in appendix 2.

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

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.