

**Report for: Pension Fund
Committee**

Date of Meeting:	24 March 2021
Subject:	Review of Pension Fund Governance Compliance Statement
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	List Ward(s) affected by decision. All
Enclosures:	Appendix 1 – Governance Compliance Statement

Section 1 – Summary and Recommendations

This report reviews the Pension Fund's Governance Compliance Statement. The document was reviewed by the Pension Board on 4 March 2021, and the Board's comments are reflected.

Recommendations:

The Committee is requested to

- i. Note the latest position on the LGPS Good Governance Review,
- ii. Consider the updated Governance Compliance Statement and, subject to any comments, to approve it for adoption.

Section 2 – Report

1. The Local Government Pension Scheme (LGPS) Regulations 2013 (Regulation 55) require the Administering Authority for the Fund to prepare a written statement setting out:
 - whether the authority delegates its function, or part of its functions under the Regulations to a committee, a sub-committee or an officer of the authority;
 - if so, the way in which the delegation operates, including membership of the Committee, voting rights, frequency of meetings etc;

- details of the arrangements for the local Pension Board.
2. The Fund's Governance Compliance statement was last reviewed in March 2018. It is therefore appropriate to review and update it.
 3. The revised Governance Compliance Statement is enclosed at Appendix 1. The Pension Board considered this at its meeting on 4 March 2021, and its comments are reflected appropriately. The Committee is asked to consider this, and subject to any suggested modifications, to approve it for adoption.
 4. The "Good Governance Review" which was reported to the Board in January 2020 has been delayed nationally by the Covid-19 pandemic. However, it is now being progressed. At its meeting on 8 February 2021, the LGPS Scheme Advisory Board (SAB) agreed publish the final (Phase 3) Report on this subject, and to submit the Report's Action plan to the Local Government Minister for consideration. The report was published on the SAB's website on 15 February.
 5. That report contains some key recommendations which were endorsed by the SAB, as follows:
 - a. Introduce Training Requirements for key individuals in each fund (officers and committee members).
 - b. Each administering authority must
 - have a single named officer who is responsible for the delivery of all LGPS related activity for that fund ("the LGPS senior officer") – it is permissible for the Section 151 officer to undertake this role.
 - publish an annual governance compliance statement (GCS) that sets out how it complies with the governance requirements for LGPS funds, as per statutory Guidance. This statement must be signed by the LGPS Senior Officer, and by the Section 151 officer (if these are not the same person).
 - Undergo a biennial Independent Governance Review
 - c. Each fund must produce and publish
 - a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund,
 - a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party.
 - A "roles and responsibilities" statement which sets out how / by whom key decisions are taken.
 - An Administration Strategy with key performance indicators
 6. Many of those recommendations formalise what is considered current best practice and would require only minor adjustments to arrangements already in place at Harrow. Others require arrangements to be put in place at a national level - for example the Scheme Advisory

Board is considering how to set up a “peer review mechanism” to address the Independent Governance Review point.

7. A further report will be brought to the Committee’s next meeting with appropriate recommendations to enable it to plan for the implementation of the key elements of the Review Report.

Legal Implications

8. There are no direct legal implications arising from this report.

Financial Implications

9. Whilst the performance and effective controls of the fund managers is of paramount importance in the performance of the Pension Fund, there are no financial implications arising from this report.

Risk Management Implications

10. There are no specific risk management implications arising from this report. The Pension Fund’s Risk Register is reviewed regularly by both the Committee and by the Pension Board.

Equalities implications / Public Sector Equality Duty

11. Was an Equality Impact Assessment carried out? No
There are no direct equalities implications arising from this report.

Council Priorities

12. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council’s priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed on behalf of the Chief Financial Officer

Date: 10/03/2021

Statutory Officer: David Hodge

Signed on behalf of the Monitoring Officer

Date: 09/03/2021

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 09/03/2021

Mandatory Checks

Ward Councillors notified: NO

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Telephone 020 8736 6552

Background Papers:

LGPS Good Governance Review Phase 3 Report

https://www.lgpsboard.org/images/Other/Good_Governance_Final_Report_February_2021.pdf