

Good Governance Review October 2022





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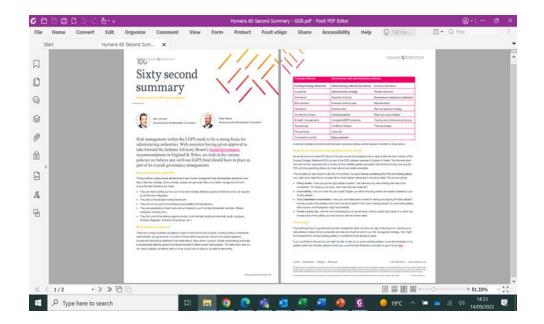


An overview of the review

- ➤ Who? The Scheme Advisory Board commissioned Hymans to undertake the review in April 2019
- ➤ Why? To examine the effectiveness of current LGPS governance models and consider alternatives or enhancements to the existing models. Four basic models were proposed:
 - a) Improved Practice
 - b) Model 1, plus greater ringfencing*
 - c) Joint Committee: &
 - d) Separate Local Authority Body

Model 2 was the preferred outcome.

➤ How? — The outcome was established through on-line surveys, focus group sessions & individual conversations.





When? – The review timeline

- ➤ April 2019 SAB commissioned Hymans following survey feedback and a draft summary Phase 1
- ➤ **February 2020** SAB accepted the proposals set out in Hymans Phase 2 Report and requested a more detailed implementation of the proposals
- February 2021 Hymans published its Phase 3 Report and action plan, which was also sent to DLUHC. After previously being approved by SAB.
- ➤ **September 2022** DLUHC is believed to have approved SAB's Phase 3 Report, making only one additional recommendation.
 - a) To implement a workplace strategy around planning & resourcing
- ➤ Q4 2022 Draft regulation and statutory instruments are expected to be prepared for consultation
- > April 2023 Final regulation expected to be published





GGR and the new SCoP

→ Good Governance Review (GGR)

- a) Sponsored by SAB
- b) Scope Improving governance for the LGPS
- c) Hymans Report
- d) All recommendations should be implemented (see project plan)

→ Single Code of Practice (SCoP)

- a) Sponsored by TPR
- b) Scope Improving governance for the whole pensions industry
- c) Based on the Public Sector's Code of Practice 14 model
- d) Select modules relevant to your type of scheme

Local Government Pensions



England and Wales





What are the key features?

> There are 5 basic features

- a) Outcomes based approach, setting minimum standards
- b) Clarity over roles, responsibilities, conflict management and decision making (The introduction of Independent Governance Reviews)
- c) Training for key officers and Committee members
- d) Updating guidance and better signposting

Plus

e) A workplace strategy around planning & resourcing





What? - Is the Fund's response and approach to the GGR

- ➤ Officers implemented a project plan following the publication of Hymans Phase III report (see attached)
- The plan was included in the Fund's business plan 2022/23, as an objective
- ➤ Whilst many recommendations were already in place, a gap analysis was completed to identify any missing governance elements, or elements which may need updating
- ➤ Where possible the draft recommendations have already been implemented
- On publication of the final guidance (including updated templates) the outstanding recommendations will be implemented





Next steps

Officers will complete the implementation of outstanding recommendations

What can you do?

- ➤ Know your terms of reference and the terms of reference of other groups
- Clearly understand your role and responsibilities
- ➤ Embrace a culture of learning and development, and complete all relevant training. Use the published member and senior officer training policy as your guide
- ➤ Be an advocate for change, where required. Particularly where you identify a conflict of interest

