

## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
3 October 2019

---

### **PENSION FUND – GOOD GOVERNANCE IN THE LGPS**

#### **Purpose of the Report**

1. This report presents the results of a review commissioned by the Scheme Advisory Board (SAB) & published by Hymans Robertson in July 2019 examining the effectiveness of the current LGPS governance models and considers the alternatives or enhancements which can strengthen LGPS governance going forward.

#### **Background**

2. The last decade has seen the introduction of tPR oversight, Local Pension Boards & LGPS pooling amongst other changes, all of which have served to make LGPS governance more complicated. Consequently, whilst this report seeks to maintain the strong link of SAB's principle of local democratic accountability it also seeks to analyse the effectiveness of the existing LGPS governance models in their current environment.
3. To achieve this Hymans Robertson focused on the criteria/characteristics of Standards, Consistency, Representation, Conflict Management Clarity of Roles & Responsibility and Costs. Four governance models were then used to determine a qualitative recognition of the characteristics identified, which were Improved Practice, Great Ringfencing, Joint Committee & a separate Local Authority.
4. To establish the governance characteristics Hymans Robertson undertook a process of fact-finding, on-line surveys & other engagement processes such as conference workshops to produce their report, seeking input from all interested stakeholders including Board & Committee members, s151 officers, Employers, Pension Fund officers & other parties such as the Trade Unions.

#### **Considerations for the Committee**

5. To note the report, notably the Executive Summary & Section 4 entitled "Survey themes", which interprets the results of Hymans Robertson's findings. Section 6 then sets out the proposals Hyman's Robertson have made to SAB.
6. To note that the first two models preferred by most respondents (more than 70%), were Improved Practice & Great Ringfencing as it was recognised that whilst the focus should be on the greater specification of required governance outcomes, the need to develop standards, have independent reviews & ensure consistency, there were still significant advantages to being part of a Local Authority structure.

#### **Conclusions**

7. Hymans Robertson highlighted that there should not be a one size fits all approach in their proposals, rather that there should be a framework of best practice governance strategies employed within which all LGPSs could operate.
8. Fund officers have reviewed the report and consider it to be a fair assessment of the current LGPS governance arrangements.

### **Environmental Impact**

9. There is no environmental impact from this report.

### **Financial Considerations**

10. There are no immediate financial considerations.

### **Risk Assessment**

11. There are no risks identified at this time.

### **Legal Implications**

12. There are no immediate legal implications arising from this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

13. There are no implications at this time.

### **Proposals**

14. The Committee is asked to note the report prepared by Hymans Robertson.

ANDY CUNNINGHAM  
Head of Pensions Administration and Relations

Report Author: Richard Bullen – Fund Governance & Performance Manager

---