

## **Pension Advisory Board**

**26 February 2020**

### **Governance reviews and surveys**

#### **Report by the Chairman of the Pension Advisory Board**

##### **Executive Summary**

This report refers to progress on taking forward the published report by Hymans Robertson on their Good Governance Review, and on the Pensions Regulator's Survey and the SAB survey for 2019.

##### **Recommendations**

The Board is asked to note the current position on progress on the SAB governance review and on the surveys from tPR and SAB.

#### **1. Hymans Robertson's report on good governance**

1.1 As reported previously, the SAB working groups considered the first report from Hymans Robertson and made a number of recommendations. For ease of reference, these were as follows:

- Publication of a new Governance Compliance statement to include LGPS responsible person, resources allocated to function, scheme of delegations for LGPS decisions, LGPS budget process and outcome measures;
- Outcome measures should use existing indicators where possible;
- Updated guidance should be published or signposted/approved by MHCLG;
- Guidance should set out minimum requirements of knowledge and understanding for responsible person and decision makers;
- Governance review should be biennial and must be on a consistent basis but may use external or internal resource, and
- Introduction of an LGPS 'Peer Challenge' process

1.2 The findings of the working groups were set out in a second report from Hymans Robertson published in November 2019 and which has been circulated to Board members.

1.3 The project is now entering its third phase with consideration of the recommendations made by the two working groups and agreed by the SAB on the 6th November 2019. To take this work forward, the SAB has agreed that the two working groups should be combined to form an implementation group.

- 1.4 The implementation group, together with Hymans Robertson is to consider the steps to be taken to:
- (a) Recommend changes to the scheme's regulatory provisions on Governance Compliance Statements
  - (b) Prepare revised statutory guidance on Governance Compliance Statements;
  - (c) Establish a process for the independent assessment of Governance Compliance Statements, and
  - (d) Establish a new set of Key Performance Indicators (KPIs)
- 1.5 A detailed paper is to be prepared by the implementation group for consideration by the SAB on 4 May 2020.

## **2. The Pensions Regulator's Survey 2019**

- 2.1 The Survey was completed in December in consultation with the Chairman and submitted. A copy of the completed survey has been circulated separately to members.

## **3. Local Pension Board Survey 2019**

- 3.1 The Board agreed a response to the draft survey at its meeting in September, but SAB has still not issued the Survey formally at the time of writing this report.

## **4. Equality Impact Review**

- 4.1 An Equality Impact Review is not required as there are no relevant decisions to be taken.

### **Peter Scales**

Chairman of the Pension Advisory Board

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### **Background papers**

None