

**Scheme Advisory Board – Good Governance in the LGPS
Gap Analysis for Staffordshire Pension Fund**

Appendix 2

Area	Proposal	Staffordshire Pension Fund Compliance	Action Required
A. General	A.1 MHCLG will produce statutory guidance to establish new governance requirements for funds to effectively implement the proposals below. (“the Guidance”).		Statutory Guidance to be issued
	A.2 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”).	Current delegations to the Director for Corporate Services, the Assistant Director for Treasury & Pensions and County Treasurer (as S151)	LGPS Senior Officer to be determined based on SAB guide.
	A.3 Each administering authority must publish an annual governance compliance statement (GCS) that sets out how they comply with the governance requirements for LGPS funds, as per statutory Guidance. This statement must be co-signed by the LGPS senior officer and S151.	Governance Compliance Statement (GSR) is likely to be more detailed and explicit version of the Governance Policy Statement produced currently. https://www.staffspf.org.uk/Governance/Policies/Governance-policy-statement/Governance-policy-statement.aspx	Governance Policy Statement to be reviewed and amended once Guidance is issued.
B. Conflicts of Interest	B.1 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, with specific reference to key conflicts identified in the Guidance.	A Conflicts of Interest Policy already exists. https://www.staffspf.org.uk/Governance/Policies/Conflicts-of-Interest-Policy-June-2019.pdf	Conflicts of Interest Policy will need to be reviewed once Guidance issued.
	B.2 The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB.		SAB to produce guide on statutory and fiduciary duty.

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C. Representation	C.1 Each fund must produce and publish 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.	Partial compliance within Governance Policy Statement https://www.staffspf.org.uk/Governance/Policies/Governance-policy-statement/Governance-policy-statement.aspx	SAB to publish a guide to representation based on requirements of Statutory Guidance. Governance Policy Statement to be reviewed and amended once SG is issued.
D. Knowledge and Understanding	D.1 Introduce a requirement in the Guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively.	Pensions Committee and Pensions Board both undertake regular self- assessment in line with CIPFA Knowledge and Skills Framework to determine individual and collective Training Needs Analysis (TNA). Training Policy exists. https://www.staffspf.org.uk/Governance/Policies/Training-policy/Training-policy.aspx	Training Policy and TNA will need to be reviewed in line with revised CIPFA KSF and SAB guide to relevant training, once issued.
	D.2 Introduce a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels of knowledge and understanding.	Reliant on individual S151's knowledge and experience	Individual action by S151 in accordance with CIPFA KSF and SAB guide to relevant training, once issued.
	D.3 Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements	Training Plan and Policy approved by Pensions Committee in response to Training Needs Analysis (TNA) https://www.staffspf.org.uk/Governance/Policies/Training-policy/Training-policy.aspx	Comply
	D.4 CIPFA should be asked to produce appropriate guidance and training modules for s151 officers.		CIPFA to produce appropriate guidance and training modules for S151 officers

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<p>E. Service Delivery for the LGPS Function</p>	<p>E.1 Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution and be consistent with role descriptions and business processes.</p>	<p>Framework of decision making formed by County Council's Constitution and Directorate Schemes of Delegation together with Job Descriptions.</p>	<p>SAB to publish a Guide to Roles and Responsibilities Matrix and SPF to consider production of an 'explicit' policy document and matrix once SAB guidance is issued.</p>
	<p>E.2 Each administering authority must publish an administration strategy.</p>	<p>Administration Strategy published https://www.staffspf.org.uk/Governance/Pensions-administration-strategy/Pensions-administration-strategy.aspx</p>	<p>Comply – need to review once SAB guide to Administration Strategy is published.</p>
	<p>E.3 Each administering authority must report the fund's performance against an agreed set of indicators designed to measure standards of service.</p>	<p>Performance Reporting at various levels: Annual / Quarterly Investment Performance Reports to Pensions Committee and Pensions Panel; CIPFA benchmarking of Administration costs reported annually to Pensions Committee as part of Outturn Report; Performance metrics reported annually as part of Report and Accounts; KPI's reported annually to Pensions Committee and monthly to Pensions Management Team</p>	<p>Performance Reporting to be reviewed against agreed set of indicators once published.</p>
	<p>E.4 Each administering authority must ensure their committee is included in the business planning process. Both the committee and LGPS senior officer must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.</p>	<p>Annual Business Plan incorporating comments on resourcing and budget approved by Pensions Committee, prior to commencement of the next financial year http://moderngov.staffordshire.gov.uk/documents/s145895/Business%20Plan%20202021PC%20260321%20Agenda%20item%205.pdf</p>	<p>Comply – need to review once CIPFA guidance is published.</p>

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F. Compliance and improvement	F.1 Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.	Not a requirement currently	Independent Governance Review process to be established by SAB and LGA
	F.2 LGA to consider establishing a peer review process for LGPS Funds.		Independent Governance Review process to be established by SAB and LGA