



West Northamptonshire Council

Pension Committee

15/12/2021

Mark Whitby – Head of Pensions

Report Title	Governance and Compliance Report
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Contributors/Checkers/Approvers

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List of Appendices

Appendix A – Schedule of virtual training events.

1. Purpose of Report

- 1.1 This is a standing report that identifies issues concerning the governance of the Local Government Pension Scheme (LGPS) and potential, new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits.

2. Executive Summary

- 1.1. To present to the Pension Committee with information on:
- 1) Ministry of Housing, Communities and Local Government
 - 2) The Pensions Regulator – new code of practice
 - 3) Skills and knowledge opportunities

3. Recommendations

- 3.1 The Pension Committee is asked to:
- a) note the contents of the report.

4. Report Background

- 4.1 Members of the Pension Committee are responsible for the ongoing governance, management, and administration of the Northamptonshire Local Government Pension Scheme in conjunction with the Section 151 Officer and Fund Officers. This report provides an update on developments and issues that impact the LGPS that Members of the Pension Committee need to be aware of to fulfil their responsibilities to the Fund's key stakeholders. The content of this

report will also provide information that will support decision making in other reports presented to the Pension Committee and assists in the ongoing attainment of skills and knowledge as required by the Pensions Regulator.

5. Issues and Choices

5.1 Ministry of Housing, Communities and Local Government (MHCLG)

- 5.1.1 On 19 September 2021, the Government announced that the MHCLG will become the Department for Levelling Up, Housing and Communities (DLUHC).

5.2 The Pensions Regulator – new code of practice

- 5.2.1 On 17 March 2021 the Pensions Regulator (TPR) launched a consultation on its new code of practice which closed on 26 May 2021. The code of practice sets out how the Pensions Regulator expects trustees (in the case of the LGPS Pension Committee, Board Members, Section 151 Officers, and administrators) to administer, govern and manage their respective pension schemes.
- 5.2.2 The draft new code consolidates (with updates and amendments) most of the existing 15 codes of practice including the public service code of practice 14 into a new online code providing a single up-to-date and consistent source of information. The other codes will be consolidated into the single code at a later date, subject to further consultation.
- 5.2.3 The new code of practice was expected to come into force in November 2021. However, due to the number of responses the Pensions Regulator has received to the consultation it is now expected that the code of practice will come into force in Spring/Summer 2022.
- 5.2.4 The Fund will have six months to become compliant with the code of practice from when it comes into force. An action plan will be produced to ensure compliance is achieved in that timescale.

5.3 Skills and knowledge opportunities – training events

- 5.3.1 The Public Services Pensions Act 2013 and the Pensions Regulator's Code of Practice (Governance and administration of public service pension schemes) require all members of the Pension Committee to maintain the necessary skills and knowledge to undertake their role effectively.
- 5.3.2 In order to facilitate the acquisition of skills and knowledge for members of Pension Committee, appendix A lists the main events that are deemed useful and appropriate.
- 5.3.3 It was recognised that recent local elections have resulted in a significant change to the membership of the Pension Committee and so an introductory training session was held on 21 June 2021 covering at a high level the knowledge requirements of being a Pension Committee and Pension Board member hosted by the advisers from the Fund's benefits and governance advisors, Aon and legal advisors, Squire Patton Boggs.

- 5.3.4 A series of more in-depth training sessions to cover the CIPFA Skills and Knowledge core modules (see appendix A), again hosted by Aon, began on 1 July 2021, and concluded in September 2021.
- 5.3.5 Web links to all the recordings of all these training sessions has been made available to all members of the Local Pension Board and Committee so that any missed sessions can be watched at a later date. Whilst the web links will remain live until 31 March 2022, it is hoped that all Board and Committee members will view all training sessions by the 31 December 2021 to ensure there is sufficient individual knowledge to be able to scrutinise and challenge decisions made by the Pension Committee at forthcoming meetings.

6 Implications (including financial implications)

6.1 Resources and Financial

6.1.1 There are no resources or financial implications arising from the proposals.

6.2 Legal

6.2.1 There are no legal implications arising from the proposals.

6.3 Risk

6.3.1 The Pension Committee are required to have the appropriate skills and knowledge to effectively carry out their duties. This report ensures that the Pension Committee is up to date with:

- New or amending legislation affecting the LGPS;
- Relevant activities of the LGPS Scheme Advisory Board and the Pensions Regulator that concern the governance of the (LGPS) on a national and local basis; and
- Skills and knowledge opportunities.

6.3.2 The risks associated with the Pension Committee not having the required level of knowledge and understanding have been captured in the Fund's risk register as detailed below.

Risk	Residual risk rating
Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively	Green
Failure to administer the scheme in line with regulations and guidance.	Green
Failure to provide relevant information to the Pension Fund Committee to enable informed decision making.	Green

The Fund's full risk register can be found on the Fund's website at the following link:
[Northamptonshire Risk Register](#)

6.4 Relevant Pension Fund Objectives

6.4.1 The following objectives have been considered in this report –

- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- To ensure that the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

6.5 Consultation

6.5.1 Not applicable.