

Avon Pension Fund

Good Governance GAP Analysis

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For and on behalf of Hymans Robertson LLP



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Good Governance Recommendations

1 Introduction

Background

The Good Governance review was undertaken by Hymans Robertson on behalf of the England and Wales Scheme Advisory Board (“SAB”). The [Phase 2 report](#) was published in November 2019 and set out several recommendations which, if acted upon, would improve the Governance of the LGPS, and achieve a level of parity in terms of Governance across the LGPS Funds in England and Wales.

The [Phase 3 report](#) was published in February 2021. It contained further details on the implementation of the recommendations of the Phase 2 report.

Purpose of this report

Hymans Robertson has been commissioned by the Avon LGPS Pension Fund (“the Fund”) to undertake a high-level review of the its Governance arrangements, with reference to the recommendations laid out in the Good Governance Review. The purpose of our review is to identify any gaps between The Fund’s current arrangements and those proposed by The Good Governance project.

We will also set out high level recommendations and next steps.

Whilst the timeline for the statutory guidance necessary for Good Governance recommendations to take formal effect is in the hands of the Department of Levelling Up Housing and Communities (“DLUHC”), the SAB remain committed to the principles of Good Governance and LGPS funds can benefit from improved governance without waiting for statutory guidance.

Methodology

In order to provide this report, we have reviewed at a high level, the following documents:

- Avon Pension Fund Annual Report 2019/2020
- Fund Governance Framework
- DRAFT Avon Pension Fund Terms of Reference May 2021
- Scheme of Delegations Authorisations May 2021
- Scheme of Delegations Schedule May 2021
- Governance Compliance Statement 2021
- Annex 1 to Report Service Plan 2021-24
- Service Plan 2021-24
- Local Pension Board Terms of Reference
- Avon Pension Fund Administration Strategy Statement 2019
- Governance Compliance Statement 2020
- 2021/22 Interim Finance Structure
- Organisational Structure
- Avon Pension Fund Website
- Bath and North East Somerset Council Constitution

- 2021 Pension Committee agendas and minutes

Rating

For each 'Good Governance' area assessed, we will provide a 'star' rating (with a maximum of 5 stars) on the current Fund position:

1 star = Non-compliance

2 stars = Weak compliance

3 stars = Partial compliance

4 stars = Satisfactory compliance

5 stars = Full compliance

Following the analysis of the Fund's present position against the Good Governance recommendations, it will have a set of recommendations and actions to implement.

2 Executive Summary

Based on our analysis of the Fund, engagement with Officers and access to information available to us, we have assessed where the Governance arrangements of the Fund currently sits, relative to the requirements set out in the Good Governance project.

We have concluded that on the anticipated requirements resulting from Good Governance, the Fund is in a '*satisfactorily compliant*' stage of preparedness.

Overall, the Fund is "*satisfactorily compliant*" with some of the Good Governance recommendations but there are areas which need addressed



The Fund is demonstrating good compliance in the following areas:

- Structure
- Governance compliance statements
- Knowledge and skills
- Roles and responsibilities
- Administration strategy
- Performance indicators
- Approach to business planning and budget setting

There are recommendations throughout this report to further develop these areas.

In order to achieve the standards set out in the SAB recommendations, we recommend that over the next few months the Fund should focus on the following areas:

- Conflicts of interest
- Representation

Our report contains suggested next steps to address these areas.

3 Structure and Senior LGPS Officer

Background

The recommendation from the Good Governance report was that:

“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”).”

The role of senior LGPS officer, therefore, is to oversee the delivery of all LGPS related activity for the Fund. They should be of sufficient seniority within the Council to ensure they can represent the interests of the Fund. The post holder should also have sufficient capacity to give their LGPS responsibilities the requisite attention. This includes day-to-day administration as well as funding and investments. Furthermore, it is appropriate that those with key LGPS functions come under a reporting structure within the Senior Officer’s supervision.

In order to assess the appropriateness of existing arrangements for the Fund, Hymans spoke with Fund Officers regarding the current structure of the Council and where the Senior LGPS Officer role (or similar) currently sits within that structure. Our observations, following these discussions, have then be used to determine the suitability of the current arrangements and any changes that may be required within the Council’s structure to comply with Good Governance.

In undertaking our analysis of the Fund’s current structure and approach to LGPS responsibility we have considered:

- Whether or not delegated responsibility has been formally recognised within the host Authority’s Scheme of Delegation;
- The extent to which delegated powers cover all aspects of the management and administration of the Fund (i.e. investments, funding and administration);
- The current reporting structure and responsibilities across investments, funding and administration and the extent to which these can hamper effective decision making; and
- The extent to any individual with delegated responsibility for the Fund has the capacity to give appropriate time and commitment to that role.

Findings

In order to assess the structure and whether the role of Senior Officer is at an appropriate level, we assessed the Fund against the following scoring system:

1. Non-compliance – there is no reference to Fund responsibility within the authority’s scheme of delegation. No single person is taking responsibility for the Fund, with the potential for poor decision making and lack of accountability
2. Weak compliance – the scheme of delegation confirms the Senior officer with Fund responsibility, but no structure underneath to confirm subordinate delegations or lines of responsibility.
3. Partial compliance – the scheme of delegation confirms the Senior officer with Fund responsibility. The structure in place underneath, however, separates responsibility for elements of Fund business across different departments (e.g. investments and funding within finance and administration within HR) and/or the named Senior Officer has insufficient time to devote to their Fund responsibilities.

4. Satisfactory compliance - the scheme of delegation confirms Senior officer with Fund responsibility. The structure in place underneath ensures the named Senior Officer is responsible for all aspects of the Fund (i.e. investments, administration, and funding). There is concern, however, that the named Senior Officer has insufficient time to devote to their Fund responsibilities.
5. Full compliance – the structure that the Fund has in place aligns completely with the Good Governance recommendation. There is clarity over the officer with ultimate responsibility for the Fund.

Evidence

The Governance & Management structure of the Fund, as at 31 March 2020, is set out in the Fund Annual Report.

The Administering Authority, Bath and North East Somerset council has legal authority for the Fund, as set out in the LGPS Regulations. This responsibility is delegated to the Avon Pension Fund Committee. The Council Officers who are referenced in the Annual Report include:

- Andy Rothery - Director of Finance (s151 Officer)
- Tony Bartlett - Head of Business Finance & Pensions
- Liz Woodyard - Group Manager, Funding, Investments & Risk
- Geoff Cleak - Pensions Manager
- Maria Lucas - Head of Legal and Democratic Service

Delegated responsibility has been recognised within the Council's scheme of delegation. As s151 officer, Andy Rothery assumes overall responsibility for the Fund's financial affairs, with Tony Bartlett reporting to Andy, as Pensions Director. This framework is in line with Good Governance recommendations.

Responsibility for the management and administration of the Fund is split between two senior officers. As Group Manager, Liz Woodyard is responsible for Funding, Investment and Risk, while Pensions Manager Geoff Cleak, oversees Administration at the Fund. Both report to Tony Bartlett, as Head of Pensions, who in turn reports to Andy Rothery as s151 Officer.

There is no explicit recognition that Tony Bartlett is acting Senior LGPS Officer, albeit his job title and the operational structure of the Fund indicates this.

The Terms of Reference document that accompanies the Annual Report, references the additional responsibilities delegated to Fund Officers. It confirms that Officers have operational responsibility for key areas of Fund management and administration. For example, Officers are noted as being responsible for oversight of the Fund's administration, investment, and funding strategies. Further specified delegations relate to implementing and managing investments, risk management, budget authorisation, admission arrangements and approval of the Annual Report.

The executive responsibilities of the s151 Officer are outlined in the Fund's Scheme of Delegations. The s151 Officer is noted as having authority to:

- dismiss investment managers, advisors and 3rd party providers;
- suspend policy in times of extreme market volatility;
- manage the liabilities of the Fund including the recovery of debt;

- and to exercise the discretions specified in the Local Government Pension Scheme Regulations in connection with deciding entitlement to pension benefits or the award or distribution thereof.

The Fund's Scheme of Delegation was approved by the Pension Committee at 28 June meeting, as part of the Fund Governance Framework review.

The findings from our analysis are as follows:

Structure and Senior Officer – “*satisfactory compliance*”



Recommendations

Based on our analysis, we recommend the following:

- Formally recognising the role of Senior LGPS Officer within its governance structure.
- Reviewing the current accountabilities and responsibilities of the role of Head of Business Finance & Pensions, to consider whether all of the core requirements of a Senior LGPS Officer are already included or could be e.g. ultimate responsibility for funding, investment, administration, governance and communication lie with the Head of Business Finance & Pensions.
- Consideration as to whether the Head of Business Finance & Pensions has the capacity to give appropriate time and commitment to the role.

Possible solutions might be undertaking a comprehensive review of the role of a Senior LGPS Officer, to ensure that appropriate reporting lines are in place and that Senior Officers are adequately aware of their own responsibilities in relation to the management and administration of the fund.

In our view the Head of Business Finance and Pensions already broadly meets the SAB requirements outlined above. Although, this could be more clearly documented.

4 Annual Governance Compliance Statement

Background

The recommendation from the Good Governance report was that:

“Each administering authority must publish an annual governance compliance statement that sets out how they comply with the governance requirements for LGPS funds as set out in the Guidance. This statement must be co-signed by the LGPS senior officer and, where different, co-signed by the S151 officer.”

Currently Administering Authorities are required by regulation 55 of the LGPS Regulations 2013 to publish and maintain a Governance Compliance Statement. The Statement must set out details of how the administering authority delegates its LGPS functions and the extent to which it complies with supporting statutory guidance. The Compliance Statement is usually included within each fund’s Annual Report and Accounts, which are published annually.

At the moment, funds must continue to comply with regulation 55 and the guidance as it stands, however, the intention of the SAB recommendations is to enhance the existing statement, in order to reflect the additional compliance requirements resulting from the Good Governance review, such as the role of the Senior LGPS Officer, representation, conflicts of interest, etc.

For the purposes of this exercise, we have assessed the Fund against the current Governance Compliance Statement guidance.

In undertaking our analysis of the Fund’s current governance compliance policy and statement we have considered:

- Whether or not the Fund has a written policy setting out its governance arrangements;
- Whether or not any policy is published and readily available;
- The appropriateness of the Fund’s current Governance Compliance Statement, ensuring it meets all current statutory requirements; and
- Whether it is published within its Annual Report and Accounts

Findings

In order to assess the annual compliance statement, we have looked at the most recently published compliance statement, from the 2020 accounts. This statement has been assessed against the following scoring system:

1. Non-compliance – the Fund has no formal policy on its governance arrangements and/or has failed to publish a compliant Governance Compliance Statement.
2. Weak compliance - the Governance Compliance Statement is considered to be weak, lacking in detail on how the Fund will meet its governance responsibilities. The Governance Compliance Statement does not comply fully with the current regulatory requirements.
3. Partial compliance - the Fund’s Governance Compliance Statement largely complies with current regulatory requirements but is lacking in some relatively small areas.
4. Satisfactory compliance - Satisfactory compliance - the Fund has a published Governance Compliance Statement but is not easily accessible.
5. Full compliance – the governance policy and governance compliance statement are fully compliant with The Regulations and supporting guidance.

Evidence

Within the Annual Report the Fund confirms the existing requirement to publish a Governance Compliance Statement and summarises that a high level of compliance with current best practice has been achieved. The full statement is found [here](#). The statement was approved by the Avon Pension Fund Committee on 26 June 2020. In advance of the publication of the 2021 Annual Report, the Committee re-approved the Governance Compliance Statement at the 28 June meeting, as part of the Fund Governance Framework review.

The Statement indicates that the Fund is compliant with LGPS regulations on the following areas:

- Governance structure
- Selection / role of lay members
- Voting
- Training / Facility time / Expenses
- Meetings
- Access
- Scope
- Publicity

The Fund has described itself as only partially compliant with Representation requirements. Explanations are given by the Fund for the following:

- The lack of Admission Bodies within the Committee structure – it is difficult to have meaningful representation from such a diverse group of employers.
- The rationale behind granting voting rights to independent members – to provide representation on the Committee independent of all the employing bodies.

The statement also notes that:

- All employing bodies are included in consultation exercises.
- That there are arrangements in place for the public, including employing bodies and members of the Avon Pension Fund to make representations to the Committee at the Committee meetings.
- That Trade Union representatives are nominated by the individual trade unions on the Committee. These Committee members also represent the deferred and pensioner members.
- The Fund has not appointed an independent professional observer. Instead the Committee has procedures in place to monitor and control risk and there is significant external oversight of the Fund, Committee and decision-making process.
- That the appointment of 3 Committee members with no affiliation to the Council or key stakeholders, helps strengthen the independence of the governance process.
- The pension fund and its governance processes are scrutinised annually by external audit.
- The Fund's investment consultant attends all Committee and panel meetings and other expert advisors, such as the Scheme Actuary, attend on an ad-hoc basis when appropriate.

- Finally, that all members of the Committee are treated equally in terms of access to papers, meetings and training and while some members do not have voting rights, they are given full opportunity to undertake training and contribute to the decision making process.

The findings from our analysis are as follows:

Governance Compliance Statement – “*satisfactory compliance*”



Recommendations

The Fund complies with the existing requirements. To become fully compliant with recommendations concerning representation, the Fund should consider expanding Committee membership to better represent participating admitted bodies. The Fund should continue to regularly review its position regarding Admission Bodies and consider expansion of the Committee, if it can be achieved without significantly affecting its operational effectiveness. Beyond this, the implementation of the recommendations elsewhere in the report will ensure that the Fund is in a good position to evidence compliance with any new requirements from the Good Governance review.

5 Conflicts of Interest Policy

Background

The recommendation from the Good Governance report was that:

“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.”

Conflicts of Interest were one of the driving forces behind the Good Governance project. In the Private Sector, pension funds are kept distinct from the sponsoring employer and are managed by Trustees. Trustees have a very defined role and set of responsibilities. There is clear guidance that they must act in the best interests of the Scheme members.

The LGPS is quite different. The structure is such that the Administering Authority is typically the host Authority, which is also an employer within the Fund. This can be seen externally as problematic, due to the conflict between managing the scheme in the best interest of all employers and members and avoiding any bias towards the host Authority. Host Authorities will have ways of recording and mitigating conflicts of interest, such as registers of interest and members codes of practice. In most cases, however, there is no Fund specific policy which is adhered to and records all the mitigation and risk management procedures the Fund has for managing conflicts of interest.

In undertaking our analysis of the Fund’s current approach to representation we have considered:

- Whether or not the Fund has a separate written policy setting out its approach to conflicts of interest;
- Whether or not any policy is published and readily available;
- The extent to which any policy identifies the specific conflicts relevant to a local authority acting as administering authority, including the potential conflicts that may arise for Officers.
- The extent to which the policy contains robust measures for identifying and managing potential conflicts.

Findings

To assess Fund’s current mechanisms for managing conflicts of interest we looked at the following

1. Non-compliance – there is no evidence of a Conflicts of Interest Policy being in place for either the Fund or the host Authority;
2. Weak compliance – the Fund relies on the host Authority’s Conflicts of Interest Policy, but this policy itself is considered to be weak;
3. Partial compliance – the Fund relies on the host Authority’s Conflicts of Interest Policy, which does not reflect the specific mitigation and risk management procedures we would expect the Fund to have in place for managing conflicts of interest. Alternatively, the Fund has its own Conflicts of Interest Policy, but there are some gaps covering elements we would expect to see included within a good policy;

4. Satisfactory compliance - the Fund has its own Conflicts of Interest Policy, covering all of the mitigation and risk management procedures the Fund has for managing conflicts of interest we would currently expect to see included within a good policy
5. Full compliance – the Fund has a separate Conflicts of Interest Policy covering all of the mitigation and risk management procedures the Fund has for managing conflicts of interest and reflecting the additional compliance requirements resulting from the Good Governance review

Evidence

The Annual Report recognises that the Administering Authority has duties in relation to training Committee members, board members and pension fund staff specifically in relation to managing conflicts of interest and references the existence of a training framework based on CIPFA's Knowledge and Skills Framework for LGPS Funds. However, there is no reference to a specific conflicts of interest policy.

Individual declarations of interest by Committee members are available on the Avon Pension Fund website – available [here](#).

The Governance Compliance Statement confirms that that declarations of interest are a standing item on every Committee agenda. This was confirmed by review of Committee agendas and minutes from meetings in 2021.

The codes of conduct rules and working protocols outlined in Bath and North East Somerset Council's Constitution (available [here](#)) provide some guidance on conflicts of interest; however, the rules outlined provide insufficient guidance on what constitutes a conflict of interest and how it should be registered.

There is no Fund specific conflicts of interest policy, as recommended by the Good Governance Review. On that basis we would rate the Fund as:

Conflicts of Interest Policy – “*weak compliance*”



Recommendations

Based on our analysis, our recommendation is as follows:

- A. Produce a Fund specific Conflicts of Interest Policy that reflects all the mitigation and risk management procedures the Fund has for managing actual, potential, and perceived conflicts of interest and reflecting the additional compliance requirements resulting from the Good Governance review.

6 Approach to Representation

Background

With regards to representation, the recommendation from the Good Governance report was that:

“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.”

The Local Government Act 1972 allows local authorities wide discretion over Committee appointments and delegations and so the issue of representation on the Pensions Committee remains one for local democracy. Many Pension Committees now have non-administering authority employer and scheme member representatives. However, practice varies whether these members have voting rights.

While administering authorities should retain a majority vote on decision making committees in order to reflect their statutory duties, best practice would suggest that some form of wider employer and scheme member representation on the Pension Committee is desirable.

Every administering authority should set out the terms of reference and composition of its Pension Committee within its constitution. However, it is unlikely that the constitution will contain the detail required of the Good Governance Review. In particular it won't set out the reasoning behind certain decisions. A Fund's current approaches to representation might also be published its website, but the level of detail may need to be reviewed, in light of the increased focus from the above recommendation

In undertaking our analysis of the Fund's current approach to representation we have considered:

- Whether or not the Fund has a written policy setting out its approach to representation;
- Whether or not any policy is published and readily available;
- The extent to which scheme employers and scheme members are represented on the Pension Committee;
- The extent to which non-administering authority representatives have voting rights on the Pension Committee; and
- The extent to which any policy on representation clearly articulates the justification given for the Fund's given position.

Assessment Criteria

There are a number of elements we believe should exist to ensure the Fund's policy on representation meets the Good Governance requirements. To assess the appropriateness of the Fund's current arrangements we looked at its current policy in detail and measured against the following criteria:

1. Non-compliance – no Fund specific representation policy in place;
2. Weak compliance – Fund specific representation policy in place, but not published;
3. Partial compliance – Fund specific representation policy published and readily accessible. No justification given for stance on voting rights for each party;
4. Satisfactory compliance – Fund specific representation policy published and readily accessible. Weak justification given for stance on voting rights for each party;
5. Full compliance – Fund specific representation policy published and readily accessible. Policy includes appropriate comments regarding the Fund's approach to voting rights for each party.

Evidence

There is no Fund specific policy on representation, though there is good detail within the current Governance Compliant statement.

The Committee structure detailed in the Annual Report highlights the extent to which scheme employers and scheme members are represented on the Pension Committee, as follows:

Voting members (14)

- 5 elected members from Bath & North East Somerset Council
- 3 elected members nominated from the other West of England unitary councils
- 3 independent members
- 1 nominated from the Higher/Further Education bodies
- 1 nominated from Academy bodies
- 1 nominated by the Trades Unions

Non-voting members (3)

- 1 nominated from the Parish Councils
- 2 nominated from the Trades Unions

The Annual Report confirms that after a review of its governance structure was undertaken last year, the following actions in relation to representation where:

- Appointed an additional independent representative - to support retention of the Fund's professional investor status and make the Committee less exposed to the electoral cycle.
- Appointed an academy representative - to better represent academies and multi academy trust employers.

This indicates that the Fund has considered its position regarding representation on the Pensions Committee and sought to make improvements.

The Fund's Governance Compliance statement also recognises that the Fund is partially compliant with Representation requirements and explanations are provided for the following:

- The lack of Admission Bodies within the Committee structure – it is difficult to have meaningful representation from such a diverse group of employers.
- The rationale behind granting voting rights to independent members - to provide representation on the Committee independent of all the employing bodies.

The findings from our analysis are as follows:

Approach to Representation – “*partial compliance*”



Recommendations

Based on our analysis, we suggest that the Fund take action to address the lack of a policy on representation for the Pension Committee:

- A. Formally set out the Fund's position in a specific Representation Policy, approved by the Committee
- B. Publish the final policy via the Fund's website and include it within all future Annual Report and Accounts.
- C. The Fund should continue to regularly review its position regarding membership and seek to further democratise the Committee if this can be achieved without significantly affecting its operational effectiveness. This particularly related to representation of Admission Bodies.

We would advise that the Fund seeks to implement the above recommendation within the 2022/23 Business plan.

7 Knowledge and Skills Policy

Background

With regards to knowledge and skills, the Good Governance report made several recommendations for Funds to address, namely to:

“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.”.

“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.”.

A key focus of the Good Governance review centres on the Fund’s Officers as well as Committee members having a sufficient level of knowledge to be able to perform their respective roles effectively, bringing them in line with the requirement that currently applies to members of local Pension Boards.

In addition, there is a requirement that the Section 151 officer should carry out regular training and ongoing CPD to ensure that their knowledge and understanding remains at an appropriate level to understand and fulfil their responsibilities in respect of the Fund.

The Good Governance review further recommends that:

“Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements”

As well as having all the necessary strategies and plans in place, therefore, it is equally important that they are transparent and visible to all interested parties.

In undertaking our analysis of the Fund’s current approach to knowledge and skills we have considered:

- Whether the Fund has a formal training strategy in place;
- Whether the Fund has a formal training plan in place, and the extent to which it is regularly monitored and maintained;
- The extent to which the effectiveness of training is measured to ensure appropriateness and effectiveness; and
- The extent to which training is reported to the Pension Committee and Board as well as within the Annual Pension Fund Accounts.

Findings

It is not uncommon for Funds to have a variety of approaches to setting out their approach to training and logging attendance at various courses, etc. This can sometimes make it difficult to assess the effectiveness of the arrangements and/or compare with peers. In considering the Good Governance recommendations in relation to knowledge and skills we have assessed the Fund’s current position against the following criteria:

1. Non-compliance – no formal training strategy or plan in place. No reporting of training received or its effectiveness

2. Weak compliance – no formal training strategy or plan in place, but some reporting of training received
3. Partial compliance – strategy and plan are in place but doesn't cover s.151 or other Officers. Significant reporting of training received and some reporting on its effectiveness
4. Satisfactory compliance – strategy and plan are in place, with strong monitoring and reporting in place, together with evidence of its effectiveness. May cover s.151 or other Officers.
5. Full compliance – Strategy and plan in place, covers PC, PB, s.151 and other Officers and is regularly reported to Committee and published in Annual Report and Accounts.

Evidence

The Annual Report references the Fund's Training Framework which is used to assess training needs and create a training plan with responsibility for this resting with the Strategic Director – Resources. The Annual Report sets out that the Fund is responsible for ensuring relevant training for Committee members, Pension Board members and Pension Fund staff and that the training framework is based upon the CIPFA Knowledge and Skills Framework for LGPS funds. The training provided both internally and externally in 2019/2020 is set out in the Annual Report.

The Governance Compliance Statement notes that the Fund has a clear policy on training and maintains a training log, which is evidenced in the Annual Report. All members are invited to workshops organised by the Fund. It also notes that the Fund requires new members, without prior experience of the Local Government Pension Scheme, to attend a customised training course. A formal training plan is not set on an annual basis as it is responsive to the needs of the Committee agenda. A training log is also maintained.

Guided by the CIPFA Framework a robust training approach appears to be in place. There is however little evidence of regular s151 Officer training and ongoing CPD to ensure that their knowledge and understanding remains at an appropriate level to understand and fulfil their responsibilities in respect of the Fund. More detail is required on how the Fund develop an appropriate training plan.

We note that it was encouraging that the Fund took part in the 2020 National Knowledge Assessment. This provided Fund Officers with evidence of the current knowledge levels for both the Pension Committee and Board. Further, the Fund has recently purchased licences for the Committee, Board and Officers to Hymans LGPS Online Learning Academy. In addition, Fund Officers have also requested quarterly support from Hymans on training and governance issues faced by the Fund, utilising our independent views on the progress made on these areas in the coming months and years.

The findings from our analysis are as follows:

Knowledge and Skills Policy – “satisfactory compliance”



Recommendations

Based on our analysis, there are several steps the Fund should take to strengthen its strategy for the delivery of training to Committee and Board members, as well as Officers. These are:

- A. Implement a formal training strategy and annual plan moving away from ad hoc approach currently in place, where the needs of the Committee agenda mostly shape the training plan.
- B. Agree a plan for utilising the Hymans Robertson LGPS Online Learning Academy to ensure that formal training covers all necessary topics and not only the Committee agenda
- C. Put in place more formal monitoring and reporting structure to ensure knowledge and understanding is a core element of Committee and Board agendas.

We would advise that the Fund seeks to address these over the next 3-6 months.

8 Roles and Responsibilities Matrix

Background

The recommendation from the Good Governance report was that:

“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.”.

A Fund can only function at its optimum level if there is clarity around roles, expectations and responsibilities. This covers the Pension Committee, Pension Board, the s151 officer, as well as other Fund Officers, the investment pool and professional advisers. In the context of administration this is not limited to the calculation of benefits, but extends across fund accountancy, investment support, employer liaison, systems, communications, etc.

And it is not only a case of having these roles and responsibilities defined, they also need to be clearly communicated to, and understood by, all of those involved. It follows that any such matrix should be published.

The roles and responsibilities should be laid out clearly, and uploaded in a shared space, accessible to the Pension Committee, Pension Board and the Fund Officers. It should be a live document which is updated regularly.

In undertaking our analysis of the Fund’s current approach setting out respective roles and responsibilities we have considered:

- Whether a formal document exists, setting out roles and responsibilities across all aspects of scheme management and administration;
- The extent to which any documentation reflects the authority’s scheme of delegation;
- The appropriateness of decision-making responsibilities relative to role descriptions; and
- Whether or not any documentation is published in a manner readily accessible to Officers and pension Committee and board members.

Findings

We have reviewed the current roles and responsibilities as they stand, together with the clarity in communicating them to each particular group. The following criteria has been used to assess this document:

1. Non-compliance – Roles and responsibilities not documented
2. Weak compliance – Roles and responsibilities documented, but not published and do not reflect the current host Authority Scheme of Delegation
3. Partial compliance - Roles and responsibilities documented, but not published. Incomplete links to how decisions made, by whom and how they reflect the authority’s scheme of delegation
4. Satisfactory compliance – Roles and responsibilities documented and published, but incomplete links to how decisions made, by whom and how they reflect the authority’s scheme of delegation
5. Full compliance – Roles and responsibilities documented and published, clearly set out how key decisions are made, by whom and how they reflect the authority’s scheme of delegation

Evidence

The Fund has recently been provided with a template decision making matrix, which has been developed to ensure the respective roles and responsibilities of all those with an interest in the Fund can be clearly identified (i.e. Committee, Board, Officers and Advisers). Further work will be required to develop this matrix and link to the existing scheme of delegation, terms of reference and frameworks:

- The Avon Pension Fund Terms of Reference document outlines the functions and duties of Committee, investment panel, Brunel oversight board and working group, Officers and funding and risk management group.
- The Fund Governance Framework report details roles and responsibilities of members, advisors and Officers of the Avon Pension Fund.
- The scheme of delegation and governance structure outlines roles of individuals at the fund and the Annual Report provides high-level descriptions of Committee, board and investment panel roles.

A review of roles and responsibilities at the Fund has been undertaken. Subsequently, the roles and responsibilities of members, advisors and officers was confirmed at 28 June Committee meeting as part of the Fund's governance framework review. The report from the Committee meeting notes that members, advisors, and officers all have definitive roles and responsibilities within the pension fund's governance structure. For example, the roles of the Committee and Officers are summarised as follows:

- Avon Pension Fund Committee and Investment Panel – 'The Committee's role is strategic in nature, setting the policy framework and monitoring compliance within that framework. Due to the wide scope of the Committee's remit, investment issues are delegated to the Investment Panel, (a sub-committee of the Committee) which explores the issues in greater detail before making decisions and/or recommendations to the Committee. The implementation of strategic decisions is delegated to Officers.'
- Fund officers – 'The officers' role within the governance structure is to ensure that all decision-making complies with the regulations, that the Fund fulfils its statutory requirements, and that all information regarding investment, financial and administrative issues is provided to the Committee/Panel. In addition, the officers are responsible for implementing Fund policy.'

The findings from our analysis are as follows:

Roles and Responsibilities Matrix – “satisfactory compliance”



Recommendations

In order to show full compliance within this area of the Good Governance report, we recommend:

- A consultation exercise to seek Committee and Board member input to the matrix.
- Formally agree the decision-making matrix at Committee and Board level.

C. Publish agreed document on Council (and Fund) website.

9 Administration Strategy Review

Background

The recommendation from the Good Governance report was that:

“Each administering authority must publish an administration strategy.”

A key proposal of the Good Governance review is that funds should be able to evidence that their administration is sufficient to meet regulatory requirements and that an appropriate budget is in place to enable this to be delivered. The recommendations that flow from this proposal encompass not only the requirement for funds to have an Administration Strategy in place, but also cover key performance indicators (see section 10 below) and business planning (see section 11 below). In totality they seek to ensure greater consistency across funds.

Considering the issue of the Administration Strategy, until now it has been a matter of fund discretionary as to whether it put one in place. While the LGPS Regulations themselves set out what must be included within any such Strategy, should a fund choose to have one, the depth and quality of the information contained within the documents can vary significantly.

In addition to the production of an Administration Strategy, therefore, is the need to ensure it is published and accessible and delivers on the requirements of the Regulations.

In undertaking our analysis of the Fund’s current approach to publishing an administration strategy we have considered:

- Whether a strategy is currently place;
- The extent to which it meets the requirements of the LGPS Regulations; and
- The extent to which it exceeds the current LGPS requirements.

Findings

When considering the issue of an Administration Strategy we have measured the Fund’s current position against the following criteria:

1. Non-compliance – No Administration Strategy in place
2. Weak compliance – Administration Strategy in place, but not published or easily accessible
3. Partial compliance – Administration Strategy published, but does not meet all of the current requirements of the Regulations
4. Satisfactory compliance – Administration Strategy in published and meets all the current requirements of the Regulations
5. Full compliance – Administration Strategy published and meets all current requirements and those additional requirements resulting from the Good Governance review

Evidence

The Fund has exercised its current discretion to put in place an Administration Strategy. A high-level review of this strategy indicates it covers all of the current regulatory requirements.

In line with the Good Governance recommendation, the Service Plan touches on the following areas:

- Service standards/SLAs
- Engagement and communication – capabilities and take-up
- Customer (member and employer) satisfaction
- Employer performance

Annex documentation within the current administration strategy details information relating to a schedule of additional admin charges and chargeable services from Officers is also included. This indicates that the Fund is currently exceeding current LGPS requirements.

The findings from our analysis are as follows:

Administration Strategy – “Full compliance”



Recommendations

Based on our review we recommend the following:

- Undertake regular review of the current Strategy, to ensure it remains appropriate based on current requirements and agree any changes that may be required.
- Subject to any guidance or legislative changes following the implementation of the Good Governance recommendation, review your Strategy to ensure it complies with any new requirements that may be introduced.

10 Key Performance Indicators

Background

The recommendation from the Good Governance report was that:

“Each administering authority must report the fund’s performance against an agreed set of indicators designed to measure standards of service.”

Historically performance standards have focussed on the service levels of administration teams, measuring performance against a set of metrics, which often didn’t always factor in quality. Not only is this considered to be a narrow assessment of the breadth and quality of the service, there was also a degree of inconsistency, with Funds either having their own standards or not reporting consistently against national surveys such as SF3 or CIPFA’s benchmarking club. It had also been noted that participation in CIPFA benchmarking had dropped in recent years. Good Governance proposes that performance is measured against a far broader range of issues, including Fund accounting, investment support, employer liaison, systems, communications, etc.

Good Governance standards will go beyond administration, therefore, and include areas of governance too. As a result, the standards to be reported against will include elements such as representation, training, compliance and risks and time spent on governance matters. Administration measures are expected to extend beyond service standards and include data quality, engagement and communication as well as customer satisfaction.

As well as broadening the scope of performance reporting, Good Governance also seeks to address the issue of consistency, by ensuring there is a standard set of clear indicators against which Funds measure their performance, even if they still report internally against their own local KPIs.

Reporting on performance is expected, therefore, to assume a far higher profile than may have been the case in the past.

In undertaking our analysis of the Fund’s current approach to performance indicators we have considered:

- The extent to which the Fund reports key administration performance indicators;
- The extent to which it considers elements such as quality and take up of its communication material;
- The extent to which the Fund measures time spent on governance related issues or reports on areas such as compliance and risk; and
- Whether the Fund measures customer satisfaction and reports the results

Findings

When considering the Fund’s key performance indicators, we have measured its current position against the following criteria:

1. Non-compliance – The Fund has no performance standards in place
2. Weak compliance – The Fund has a set of performance indicators that are focussed on administrative performance against set service standards only. The monitoring and reporting of those standards are considered to be weak
3. Partial compliance – The Fund has a set of performance indicators that are focussed on administrative performance against set service standards only. These standards are reported to Committee and Board and may be included within the Fund’s Annual Report and Accounts.

4. Satisfactory compliance – The Fund has a set of performance standards in place that cover administrative performance against set service standards and some additional elements around quality, Fund accounting, investment support, employer liaison, systems, communications, etc. These standards are reported to Committee and Board and may be included within the Fund's Annual Report and Accounts.
5. The Fund has a comprehensive set of performance standards in place that cover all of the elements expected to be covered by the Good Governance recommendations. These standards are reported to Committee and Board and included within the Fund's Annual Report and Accounts.

Evidence

The Fund has KPI reporting measured against CIPFA benchmark data in the Pensions Administration and Communications Section of the Annual Report. The Fund performance measurements during the reporting year 2018/2019 were generally within published statutory legal targets.

The Report details the Fund's comparative performance in key cost areas, compared against CIPFA benchmarking data from 2018/19. The Fund is said to be performing better than the national average in the following areas:

- Admin cost per member
- Net admin cost per FTE
- Members per FTE
- Administration costs
- Oversight and Governance costs
- Investment management costs

There is no accompanying information about the data used to come to these conclusions. The Fund should look to explain how administration, governance and investment costs are determined.

In terms of data quality, the Report notes that a data improvement plan is in place and that the Fund will undertake a review considering the scheme specific data items provided by the Scheme Advisory Board.

The Fund has statistics for the following areas of pensions administration:

- Letter detailing transfer in quote – 202 cases completed
- Letter detailing transfer out quote – 753 cases completed
- Process and pay refund – 1,213 cases completed
- Letter notifying estimates of retirement benefits – 1,941 cases completed
- Letter notifying actual retirement benefits – 1,825 cases completed
- Initial letter acknowledging death of member – 384 cases completed
- Letter notifying amount of dependent's benefits – 307 cases completed
- Calculate and notify deferred benefits – 2,280 cases completed

The Fund's administrative performance against its key performance indicators is also a regular item on Committee agendas. For example, in the 17/12/21 Committee pack, the Fund continues to operate below its desired target of >90% for most case types. Additionally, the Member Services team is said to have seen an increase in new monthly tasks over the previous 18 months from circa 1,800 to 2,200 tasks per month with the current outstanding cases totalling 4,980 (an increase of 87% since March 2020).

The Investment Report also has performance indicators for the following:

- Asset class returns over 1 and 3 years
- Asset allocation and stock selection impact on asset classes
- Contribution to performance – relative returns of investment managers
- Investment management costs

Up to date investment performance statistics are also provided during Committee meetings. The 17/12/21 report notes that the Fund's assets increased by £139m (2.9%) over the quarter ending 30 September 2021, giving a value for the Fund of £5,710m.

The Funding Report details funding level and asset allocation for the last six valuations.

The Fund reports thoroughly on risk in the annual report. The risk register included summarises risks facing the Fund, the impact of those risks, the severity of those risks as indicated by RAG status, how the risk is trending and a note on mitigating actions. Risks are further broken down by the key areas of Fund management and administration. All are measured by likelihood and impact:

- Governance – 4 risks identified
- Investment and Funding – 12 risks identified
- Administration – 13 risks identified
- Financial risks - 3 risks identified

The plan to integrate new technology solutions will allow the Fund to better record data allowing for more extensive reporting of KPIs. As the Fund increase digital communications to members, it should also gather data on engagement. The implementation of the i-Connect employer data solution should allow for better data on employer engagement.

The presence of a customer satisfaction survey on the pension fund website (available [here](#)) is welcome. The Fund does not however, appear to report on responses.

The findings from our analysis are as follows:

Key Performance Indicators – “satisfactory compliance”



Recommendations

Based on our review, we recommend the following:

A. The Fund should undertake a review of current performance indicators and seek to expand to cover elements including data quality, employer and member engagement and communications.

B. Consider the extent to which the Fund measures time spent on governance related issues or reports on areas such as compliance and risk to the Committee and Board.

C Consider undertaking regular customer satisfaction surveys and reporting the results to the Committee and Board.

11 Approach to Business Planning

Background

The recommendation from the Good Governance report was that:

“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.”

It is important that the management and administration of LGPS Funds is resourced appropriately and that sufficient time and commitment is given to ensuring a suitable budget is set and managed separately from the finances and expenditure of the host authority.

Any Fund budget should be sufficient, therefore, to ensure it can:

- Meet all of its statutory requirements;
- Meet the expectations of regulatory bodies; and
- Provide a good quality of service to scheme members and employers.

The budget setting and business planning process should be managed by Fund Officers together with the Pension Committee, supported by the Pension Board. There should be alignment between the annual business plan objectives and the budget that is set. Simply increasing last year’s budget by an inflationary factor isn’t considered appropriate, as it does not reflect the actual needs of the team to deliver on objectives. Neither is setting an “available” budget and working back from that in terms of what can be achieved.

In undertaking our analysis of the Fund’s current approach to business planning we have considered:

- Whether the Fund has a formal business plan in place;
- The regularity with which any business plan is monitored, and progress against it reported;
- The process in place for setting the business plan and the extent to which the Pension Committee and senior Officers are engaged in setting business plan objectives;
- Whether there is a formal budget set for the Fund activities, and the way it is monitored; and
- The process in place for agreeing such budget.

Findings

When considering business planning, we have measured the Fund’s current position against the following:

1. Non-compliance – No budget in place or budget simply set via inflationary increases to the previous year’s budget. No formal reporting of Fund related expenditure to either Pension Committee or within the Fund’s Annual Report and Accounts
2. Weak compliance – No budget in place, or budget simply set via inflationary increases to the previous year’s budget. Annual expenditure reported to Pension Committee and as part of Annual Report and Accounts. No link to statutory requirements, expectations of regulatory bodies or sufficiency to meet all business plan objectives and provide a good quality of service to scheme members and employers.
3. Partial compliance – Some form of budget in place beyond simple inflationary increases, and annual expenditure reported to Pension Committee and as part of Annual Report and Accounts. No link to

statutory requirements, expectations of regulatory bodies and sufficient to meet all business plan objectives and provide a good quality of service to scheme members and employers

4. Satisfactory compliance – Evidence of budget setting and annual expenditure reported to Pension Committee and as part of Annual Report and Accounts. Some links to statutory requirements, expectations of regulatory bodies or sufficiency to meet all business plan objectives and provide a good quality of service to scheme members and employers. Some evidence that the Committee and LGPS senior officer are satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.
5. Full compliance – The Fund has an agreed budget in place, set considering all statutory requirements, expectations of regulatory bodies and sufficient to meet all business plan objectives and provide a good quality of service to scheme members and employers. Evidence that both the Committee and appropriate senior LGPS officer are satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year. The budget is regularly reported to the Pension Committee and Pension Board and adjusted where exceptional events require.

Evidence

The Avon Pension Fund Service Plan 2021-24 is evidence of a formal business plan being in place.

Appendix 2a of the Service Plan reiterates the Fund's key objectives, the tasks linked with those objectives, along with target dates, completion dates and RAG status column.

The Service Plan was prepared by Officers at the Fund. Throughout the Service Plan there is reference to seeking Committee approval on proposed objectives.

A statement on the Pension Fund Budget is outlined in the Service Plan. Consideration has been given to the following:

- The costs of managing investment assets through Brunel.
- Governance and Compliance and Investment Management – because expenditure cannot be directly controlled, the budget reflects the expected volumes of work and fees.
- The costs of supporting the Fund's RI strategy to manage the impact of climate change on the asset portfolio.
- Those areas of administration they could directly control at the time of writing.
- Additional temporary resources to meet expected increased workload resulting from the McCloud.

This is evidence that appropriate consideration goes into the budget, beyond basic inflationary increases. Indeed, the Fund's service plan and budget are standing items on Committee meeting agendas. For example, the 17 December 2021 Committee meeting report notes that the forecast for the year to 31 March 2022 is for expenditure to be £174,568 below budget. Within the directly controlled Administration budget expenditure was predicted to be £147,610 under budget.

There is a recognition in the service plan that the budget is incomplete, and will require a further discussion when the Administration Strategy comes back to the Committee in the autumn/winter; by then there should be a clearer indication of digital investment required and over what period in order to make the necessary and/or available changes if this is a direction the Committee feel able to support, at which point the net impact on benchmark costs should also be clearer. This is another indication that the Fund Officers and Committee

cooperate to develop the budget and indicates that all parties must be satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.

The findings from our analysis are as follows:

Approach to Business Planning – “*satisfactory compliance*”



Recommendations

Based on our review, here are some recommendations:

- A. The Fund should evidence that both the Committee and appropriate senior LGPS officer are satisfied with the resource and budget allocated to deliver the LGPS service over the next financial year.
- B. Continued reporting on the budget to the Pension Committee and Pension Board should include a process to drive adjustments for exceptional events.

12 Conclusions

When undertaking our Good Governance preparation GAP analysis, we would not necessarily expect any Fund to fully comply with the recommendations made as part of the SAB Good Governance review. It is to be expected that gaps would be identified and that has been the case here.

That said there is strong evidence that the Fund has many of the building blocks in place to ensure it complies with the Good Governance recommendations once implemented.

Based on the anticipated requirements resulting from Good Governance we believe the Fund is in a '*satisfactory compliant*' state of preparedness for the new requirements. Like most LGPS Funds, there is work to be done to become fully compliant with the Good Governance recommendations. Given our engagement with the Fund, and based on the evidence from this review, we believe it is well placed to make the necessary adjustment to become Good Governance compliant.

Below we have set out some immediate next steps we believe the Fund should consider in advance of the Good Governance recommendations being implemented.

Next steps

Throughout this report we have set out several recommendations we believe the Fund should consider, in order to ensure it is well placed to be "Good Governance compliant" prior to new regulation.

As a first step we recommend that the Pension Committee and Pension Board consider the contents of this Report, and agree the recommendations set out within it.

Following that, over the coming months we believe the Fund's immediate focus should lie in improving the following areas:

1. Conflicts of interest
2. Representation

With that in mind we believe the Fund's immediate next steps should be:

- Produce a Fund specific Conflicts of Interest Policy that reflects all the mitigation and risk management procedures the Fund has for managing actual, potential, and perceived conflicts of interest and reflecting the additional compliance requirements resulting from the Good Governance review.
- Formally set out the Fund's position in a specific Representation Policy, approved by the Committee. The final policy should be published via the Fund's website and include it within all future Annual Report and Accounts. Additionally, the Fund should continue to regularly review its position regarding membership and seek to further democratise the Committee, if it can be achieved without affecting its operational effectiveness. This particularly relates to representation of Admission Bodies.

In most areas addressed in this report, the Fund is meeting current regulatory requirements. Nonetheless, if implemented, the following recommendations will bring the Fund closer in line with the standards set out by the SAB Good Governance review:

- Formally recognise the role of Senior LGPS Officer within its governance structure. The Fund should review the current accountabilities and responsibilities of the role of Head of Business Finance & Pensions, to consider whether all of the core requirements of a Senior LGPS Officer are already included or could be e.g. ultimate responsibility for funding, investment, administration, governance and communication lie with the Head of Business Finance & Pensions. The Fund should also consider

whether the Head of Business Finance & Pensions has the capacity to give appropriate time and commitment to the role.

- Develop and articulate a training strategy and accompanying training plan, covering the needs of Committee and Board members, together with Fund officers. To ensure this, the Fund should agree a plan for utilising the Hymans Robertson LGPS Online Learning Academy. Additionally, a formal monitoring and reporting structure should be in place, to ensure knowledge and understanding is a core element of Committee and Board agendas.
- The Fund should consult with the Pension Committee and Board and seek their input into to the roles and responsibilities matrix provided. Once formally agreed, the document should be published on Council (and Fund) website.
- The Fund should undertake a review of current performance indicators and seek to expand to cover elements including data quality, employer and member engagement and communications. The Fund should consider tracking how much time is spent on governance related issues or reports on areas such as compliance and risk to the Committee and Board. Additionally, the Fund should consider undertaking regular customer satisfaction surveys and reporting the results to the Committee and Board.

Prepared by:-



Ian Colvin



Andrew McKerns

February 2022

For and on behalf of Hymans Robertson LLP

13 Reliances and Limitations

This report has been prepared for the Bath and North East Somerset Council.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as at December 2021.

Appendix

Good Governance Recommendations

Area	Proposal
A. General	A.1 MHCLG will produce statutory guidance to establish new governance requirements for funds to effectively implement the proposals below. (“the Guidance”).
	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”).
	A.3 Each administering authority must publish an annual governance compliance statement that sets out how they comply with the governance requirements for LGPS funds as set out in the Guidance. This statement must be co-signed by the LGPS senior officer and S151.
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.
	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 – now updated*
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.
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.
	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.
	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.
	D.4 CIPFA should be asked to produce appropriate guidance and training modules for s151 Officers.
E. Service Delivery for the LGPS Function	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.
	E.2 Each administering authority must publish an administration strategy.
	E.3 Each administering authority must report the fund’s performance against an agreed set of indicators designed to measure standards of service.
	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.
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.
	F.2 LGA to consider establishing a peer review process for LGPS Funds.