

Conference highlights

The LGPS Success Story



Susan Black

Head of LGPS Governance, Administration & Projects

Wednesday 8 June marked our first in-person LGPS event in over two years. Not only that, but it was also our first ever Governance, Administration and Projects management event since our team was formed in 2020. Our event was an opportunity to celebrate, share and think about the next challenges for the LGPS.

We recognise that not everyone was able to join us in person, so we've summarised our sessions below. If you would like to hear more, then we've also recorded each session so that you can [access on demand](#) at any time.

The future of LGPS governance

Ian Colvin, Head of LGPS Benefit Consulting & Susan Black, Head of Governance, Administration & Projects

With the theme of the day very much one of celebrating the LGPS, Ian and Susan kicked things off by looking at Good Governance. The Good Governance Review is an example of many of the best aspects of the LGPS and those who work tirelessly to deliver the scheme.

- Ian reminded us that this was an LGPS initiative. It was a Scheme Advisory Board project, driven by people who believe in and are directly invested in the success of the LGPS.
- We're still waiting for DLUHC to move the recommendations forward.
- Ian then reflected on some of Good Governance reviews we have been doing with LGPS funds to prepare for the Good Governance guidance.
- From the reviews we have carried out, Ian reported there were no areas where funds were totally non-compliant – in all areas they had at least some measures in place. There are a few areas where funds would benefit from taking the time to step back and consider the Good Governance recommendations. Also, many would benefit from making sure that the things they do well are properly recorded and documented.

How can you be ready for Good Governance going live?

- Make sure your committee and board understand the review and their role in ensuring compliance
- Make sure senior officers and s.151 officers are aware and supportive
- Changing structure can take time, so plan ahead
- Make sure that all existing policies are correct and up to date

Susan then posed the question - what's beyond Good Governance?

- No matter the advances in technology or changes to the scheme we will still need to ensure that good decisions are made, by the right people with the right skills.
- Susan explored how we can use the principles of Good Governance in relation to management of cyber risk.
- Cyber is a risk but funds face risks every single day and the LGPS withstands and manages those risks. The key is to build the consideration of cyber risk into the ongoing consideration of all risks.
- The to-do-list on this topic is never complete so having plans in place to continually improve your cyber resilience and response is key to both safeguarding the fund and giving regulators confidence.

How funds have managed the challenge of training

Andrew McKerns, Senior Governance and Administration Consultant

Andrew started his session but looking at the question – “why is knowledge so important?” As you can imagine, there are plenty of reasons, but Andrew focused on four which demonstrate the importance of knowledge, particularly in an LGPS setting.

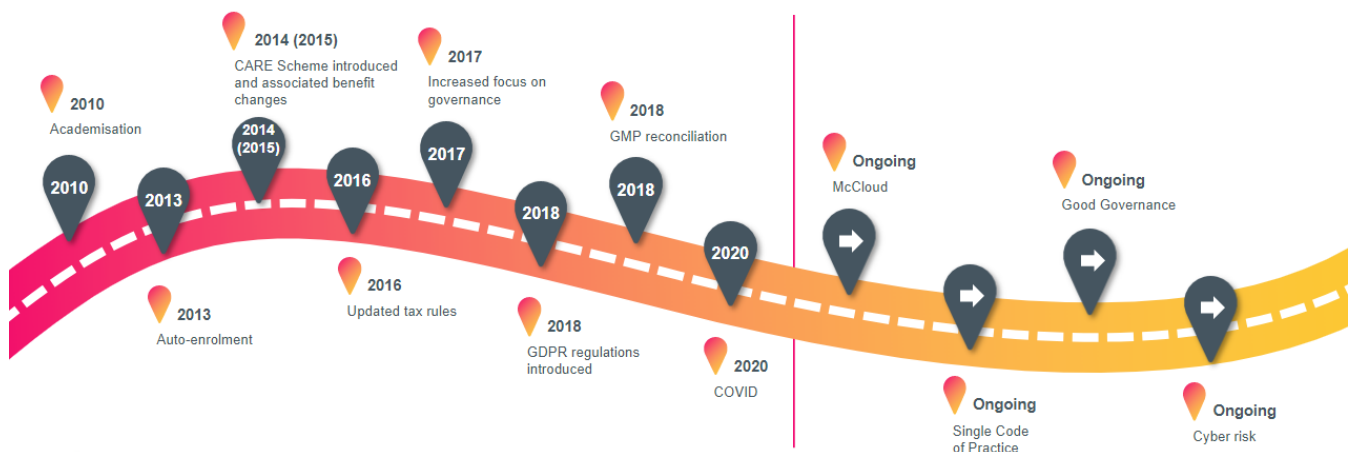
1. Increased regulatory focus on those with decision-making and oversight responsibilities at funds
 2. Increased interest from other stakeholders, such as scheme members, scheme employers, pressure groups and Pension Boards
 3. The need for informed decision making and scrutiny of information.
 4. Evidence good governance and confirm that the fund is being managed transparently and effectively.
- LGPS funds have successfully answered this challenge through their training strategy, training methods, effectiveness reviews, training plan and knowledge assessment.
 - The foundation for many funds' improvement has been their training strategy document – setting out how the Committee and Board will obtain and importantly maintain knowledge.
 - Andrew then explored different training methods such as traditional methods, online training, case studies and other methods, including webinars and virtual conferences.
 - Many officers recognise that an increase in the frequency of touch points with their Committee and Board is required in order to provide an effecting training programme. Completing an effectiveness review is seen by many funds as a holistic method of assessing not only training effectiveness but also the effectiveness of fund governance.
 - An engaged committee and board are just as important as them being knowledgeable – good engagement is a success and we've seen good strides made in this area by a number of funds.
 - The importance of training is now understood and is placed higher in the list of fund priorities. Funds also recognise that the importance of assessment – either via effectiveness reviews or knowledge assessments – both give good indicators on the current position of the Fund.

Administration Successes

Alan Johnson, Governance and Administration Consultant & Ian Colvin, Head of LGPS Benefit Consulting

Next up, we had Alan and Ian to share the administration successes we have seen in the LGPS over the past few years. They also provided some thoughts on how the current challenges can be looked back on as successes, in years to come.

- Alan's roadmap shows a huge number of administrative successes over the past 10 years, also reminding us of the challenges we're currently trying to overcome post-Covid.



- Alan covered the key themes we think will be present to enable us to tackle these issues: Member demands, data challenges, increased scrutiny, balancing projects, lack of experience and complexity.

Case Study

- Ian then took us through a case study to demonstrate how some challenges can be addressed. This example concerned annual allowance tax calculations.

How we helped

- We used the technical skills/experience of the GAP team to assist
 - We provided technical resource to check previous calculations and carry out new calculations
 - We set up 1-2-1s with affected members
 - We worked with fund officers, providing training and sharing knowledge, developing new processes and assisting with communications.
- When planning and assessing what you can deliver, team structure is central. Knowing what skills/experience you have, the size of your team and resource available, is the only way you can plan for future projects.
 - Some of the possible solutions mentioned included developing training plans and sharing knowledge, as well as understanding the skills available within your team.
 - Knowing when to seek external support and understanding the support available was also seen as being key.
 - These factors should be considered in your fund's business plan (discussed in the next section).
 - Our key take-aways for continued success for administration teams included:
 - Forward planning, and identifying gaps in your structure
 - Understanding the resource you have available, what you will need help with, and the support available
 - Sharing knowledge and broadening skills will help your teams work more effectively and efficiently
 - Start planning as soon as possible

Effective business planning

Kate Dickson, Senior Project Manager & Andrew McKerns, Senior LGPS Governance and Administration Consultant

And finally, Kate and Andrew provided us with a refresher of the business planning cycle, and the stages to a successful implementation and delivery of a business plan. In reality, the process is not linear, and you'll be carrying out some activities throughout the whole business plan year such as communicating, engaging, tracking and reporting. Kate and Andrew then talked us through the work we've done with one particular LGPS Fund and how this Fund overcame a TPR challenge.

What did this fund do?

- The first stage was for Officers and Hymans to discuss the best methods to achieving these goals.
- Officers had the initial task of detailing all of their key priorities. They did this to get a gauge on the numbers of priorities they wanted to achieve.
- The action of setting out their plans in this way allowed officers to understand, at a very early stage, that they had a lot they wanted to deliver and none of this included the business-as-usual work.
- They could also see that some of their priorities would require them to retain 3rd party support for areas where they lacked technical expertise, such as the full technology review.
- Once the full list of priorities had been identified, we then looked at the order in which these should be tackled. We used an analysis tool called 'MOSCOW'.
- MOSCOW is an acronym for Must, Should, Could and Would (or Will not in some cases).
- By undertaking this activity with Officers, a prioritised list was developed to take to the next stage – a workshop with the Committee & Board. The main purpose was to provide the Committee and Board Members an opportunity to engage in the development of the plan and set out how they will measure success. It also allowed strong alignment between Committee, Board and Officers on what the Fund was looking to achieve this business year.
- Following feedback from the Committee and Board, there was strong enthusiasm for this way of working and the key benefits of engagement and ownership were felt to be achieved.
- The meeting also allowed for sign off from the Pension Committee for additional resources to complete the key administration priorities that had been identified.
- Once the key objectives and deadline dates were agreed with the Committee, Board and Officers, we moved forward to create a plan for delivery.
- Kate then finished the session by talking through the remaining stages in the business planning cycle, including the importance of on-going monitoring & reporting.

If you have any questions on anything we covered, please don't hesitate to [get in touch](#). And don't forget – you can [watch the sessions in full here](#).