

CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board
27th June 2022

REPORT BY: Board Secretary

SUBJECT: Governance Update

REPORT FOR: Information

1. Background

- 1.1 Board will recall that The Scheme Advisory Board (SAB) commissioned Hymans Robertson to facilitate a consultation on good governance structures for the LGPS in 2019. The purpose of the consultation was to consider how best to accommodate LGPS functions within the democratically accountable local authority framework, in a way that ensures that conflicts of interest are addressed and managed appropriately, in order that the LGPS remains appropriately resourced and able to deliver its statutory functions.
- 1.2 The project was conducted over three phases, which can be seen on the [SAB website](#). This report has been produced to update Board on progress since the final report was produced in 2021.

2. Outcomes of the report

- 2.1 The [Phase 3 report](#) and accompanying [action plan](#) (also attached as appendix A) comprises:
- Those matters that would fall to the Ministry of Housing, Communities and Local Government (MHCLG) to implement, either by amending scheme regulations or producing statutory guidance
 - Those matters that would fall to the Board and other bodies to implement - subject to the actions in 1 being taken by MHCLG - and
 - Actions to identify and promote existing best practice that the Board can take forward regardless of the outcome of the above.
- 2.2 The Department for Levelling Up, Housing and Communities (DHLUC – formerly the Ministry of Housing, Communities and Local Government (MHCLG)) is continuing to work on the findings to provide guidance and updated regulations. Many of the recommendations within the report require further guidance, but the Fund has reviewed them and continued to work on the findings in the meantime, which include;
- The Fund has a Knowledge & Skills Assessment framework, that has been migrated into a standard Pension Fund Policy Document for consistency of delivery. This has been included as Appendix B for information.
 - Development of a draft Conflicts of Interest Policy, which is attached as Appendix C for Board's comments and consideration. Following receipt of Board's comments, it is the intention to take the policy to the Pensions and Investment Committee for approval.

3. Other Updates

3.1 Risk register

Board may recall some recent discussions on the Risk Register, in that it has grown over time as the number of identifiable risks increase.

Work has been undertaken which has consolidated the risks into three separate categories, with the appropriate risks listed in each of those categories:

- Administration
- Governance
- Investment

It is felt that this will make the risk register easier to review and monitor. The Risk Register is covered under its own item later in the agenda.

3.2 Cyber Security

Work has been undertaken to review Business Continuity Plans in the event of a cyber-attack and the Administering Authority has their own Major Incident Response Plan, which the Fund would utilise and follow in the event of a cyber-attack.

Work is continuing on a “Cyber Incident Response Plan” document which will be held on the Fund’s website, which is an externally hosted environment away from the administering authority and available for access should the administering Authority’s network be unavailable or compromised as a result of a cyber-attack. This will increase the resilience of the Fund through not having a complete reliance on the Administering Authority’s network infrastructure.

The Pensions Administration platform is also externally hosted, meaning that it should remain available in the event of a cyber incident at the Administering Authority. Regular assurances are sought from the pensions administration software providers as to their resilience and responses to cyber threats.

3.3 Business Plan

The action plan also recommends that the Pensions and Investment Committee are involved in the Business Planning for the Fund. The draft Business Plan for 2022/23 has therefore been provided for Board’s comment as an item under its own merit later in the agenda.

There are some immediate pressures faced by the Fund as a result of the recent local elections and recruitment exercise related to training needs and requirements, which are identified within the business plan.

4. Recommendation

Board are asked to consider the Conflicts of Interest Policy, the Knowledge & Skills Framework document and the revised Risk Register.