

## Scheme Advisory Board (SAB) proposed Key Performance Indicators (KPIs)

### Report of the Strategic Finance Director

#### Introduction

The national LGPS Scheme Advisory Board (SAB) has developed a range of draft Key Performance Indicators (KPIs) for LGPS Funds during 2014.

These were piloted by a number of LGPS Funds and the SAB intend to recommend to the Department for Communities and Local Government (DCLG) that all LGPS Funds are required to record their performance against these KPIs from 2016/17.

#### Report

The Scheme Advisory Board (SAB) believes these KPIs will enable Funds to compare their performance with other Funds and will enable the SAB to provide more targeted support to Funds which may be underperforming.

It is anticipated the results of these KPIs should allow Funds to assess their performance against examples of best practice from high performing funds and also to identify any potential areas of concern.

The pilot had 4 primary KPIs and 14 secondary KPIs covering the following areas:

#### Primary KPIs:

- Risk management (covering all pension fund activities)
- Funding level and contributions
- Deficit recovery
- Required investment returns

#### Secondary KPIs:

- Pensions committee and local pensions board member competence
- Administering authority staff accountability, leadership experience and training
- Statutory governance standards and principles (as per DCLG)

or SSAB and tPR codes)

- Quality and accessibility of information and statutory statements/strategies/policies (Governance, FSS, SIP, comms, admin authority and employer discretions policies)
- Compliance with the Principles for Investment Governance (ie Myners principles) and b) voluntary adoption of UK Stewardship Code and UNPRI
- Historic investment returns (last 3, 5, and 10 years) and total investment costs compared to other LGPS funds
- Annual report(s) and audited financial statements
- Scheme membership data
- Pension queries, pension payments, and annual benefit statements
- Cost efficient administration and overall VFM management
- Handling of formal complaints and IDRPCs
- Fraud prevention
- Internal and external audit
- Quality assurance

Details of these Primary and Secondary KPIs are shown on the two attachments. These also detail the scoring system to be adopted.

The Gloucestershire Fund was not involved in the pilot of these KPIs but our self scored results and evidence for the Primary KPIs are shown on the attached, for information.

### **Recommendation**

The Board are asked to note this report.

### **Contact Officer**

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