

Title: Approval of Governance Compliance Statement
Contains Confidential or Exempt Information?: <i>NO - Part I</i>
Member reporting: Councillor Lenton, Chairman Berkshire Pension Fund and Pension Fund Advisory Panels
Meeting and Date: Berkshire Pension Fund and Pension Fund Advisory Panels – 18 December 2017
Responsible Officer(s): Kevin Taylor, Deputy Pension Fund Manager
Wards affected: None

REPORT SUMMARY

1. This report presents updates to the Administering Authority's Governance Compliance Statement required by Regulation 55 of the Local Government Pension Scheme Regulations 2017.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Panel notes the report and:

- i) Approves the amendments made to the Governance Compliance Statement and agrees to the updated version being published on the Pension Fund website.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 1.1 Attached at Annex 1 is a tracked copy of the Administering Authority's Governance Compliance Statement last reviewed in May 2015.
- 1.2 The updated version reflects a number of changes required following amendments to the Council Constitution updating the membership structure of the Pension Panel, Advisory Panel and Pension Board.

3. KEY IMPLICATIONS

- 3.1 Not applicable

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Not applicable

5. LEGAL IMPLICATIONS

5.1 Publication is a statutory requirement.

6. RISK MANAGEMENT

6.1 Not applicable as publication is a statutory requirement.

7. POTENTIAL IMPACTS

7.1 Not applicable.

8. CONSULTATION

8.1 Not applicable.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Not applicable

10. APPENDICES

10.1 Annex 1 – Tracked version of the Governance Compliance Statement.

11. BACKGROUND DOCUMENTS

11.1 Regulation 55 of the Local Government Pension Scheme Regulations 2013.

[Annex 1](#)



**GOVERNANCE
COMPLIANCE
STATEMENT**



CONTENTS

INTRODUCTION	555
STRUCTURE.....	555
REPRESENTATION	666
SELECTION AND ROLE OF LAY MEMBERS	777
VOTING	777
TRAINING / FACILITY TIME / EXPENSES	777
MEETINGS (frequency/Quorum).....	888
ACCESS	998
SCOPE	998
PUBLICITY.....	999

INTRODUCTION

This document details the compliance of the Royal Borough of Windsor and Maidenhead, as the administering authority of the Royal County of Berkshire Pension Fund, with the guidance issued for governance of the Local Government Pension Scheme by the Secretary of State for Communities and Local Government. It has been prepared as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013.

The Regulations require the administering authority to prepare this written statement setting out whether or not it delegates its functions or part of its functions to a committee, a sub-committee or an officer of the authority.

Where the administering authority does delegate all or part of its functions the statement must include the terms, structure and operational procedures of the delegation, the frequency of any committee or sub-committee meetings and whether such a committee or sub-committee includes representatives of Scheme employers and members, and if so, whether those representatives have voting rights.

In addition, the administering authority must state the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not comply, the reasons for not complying.

The administering authority must also set out details of the terms, structure and operational procedures relating to the local pension board established under regulation 106 of the Local Government Pension Scheme Regulations 2013 as inserted by the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

This governance compliance statement must be published by the administering authority, kept under review and amended following any material change to any matters included within, once any consultation has been concluded.

STRUCTURE

The Royal Borough of Windsor & Maidenhead (RBWM) has been designated as the administering authority to the Royal County of Berkshire Pension Fund in accordance with Part 1 of Schedule 3 of the Local Government Pension Scheme Regulations 2013.

For the purposes of managing the Pension Fund, RBWM delegates its powers under the Constitution of the Council where it sets out the functions of the Royal County of Berkshire Pension Fund Panel (hereinafter referred to as 'the Main Panel'), the Royal County of Berkshire Pension Fund Advisory Panel (hereinafter referred to as 'the Advisory Panel') and the Berkshire Pension Board (hereinafter referred to as 'the Pension Board'). As such several principles have been set out to ensure compliance with the scheme regulations.

- i) The management of the administration of benefits and strategic management of fund assets.

Compliant – The Constitution of the Council defines the responsibilities of 'the Main Panel' to manage the Pension Fund.

ii) Representatives of Scheme employers and Scheme members should sit on 'the Advisory Panel' to underpin the work of 'the Main Panel'.

Compliant – Membership of 'the Advisory Panel' includes five Elected Members from RBWM, one Elected Member from each of the other five Berkshire Unitary Authorities, ~~three other Scheme employer two Admission Body~~ representatives, two union representatives, and two members to represent the active, deferred and retired Scheme members.

iii) The structure of 'the Main Panel' and 'the Advisory Panel' should ensure effective communication across both levels.

Compliant – 'The Advisory Panel' meets concurrently with 'the Main Panel' with both Panels receiving the same information.

iv) At least one seat on 'the Main panel' should be allocated for a member of 'the Advisory Panel'.

Compliant – All five seats on 'the Main Panel' are allocated to the five RBWM members of 'the Advisory Panel'.

v) The structure of 'the Pension Board' must consist of an equal number of Scheme member and Scheme employer representatives all of whom have voting rights.

Compliant – Membership of 'the Pension Board' consists of ~~one Independent Chairperson (who does not have a right to vote), 3~~ ~~three~~ Scheme member representatives and ~~3~~ ~~three~~ Scheme employer representatives.

REPRESENTATION

All key stakeholders should be afforded the opportunity to be represented with 'the Main Panel', 'the Advisory Panel' and 'the Pension Board'. To ensure compliance a number of principles have been identified.

The key stakeholders are:

i) Scheme employers.

Compliant – The six Berkshire Unitary Authorities and up to ~~threetwo~~ of the other Scheme employers are represented on 'the Advisory Panel'. In addition ~~3~~ ~~three~~ Scheme employer representatives make up membership of 'the Pension Board'

ii) Scheme members (including deferred and retired members).

Compliant – 'The Advisory Panel' has two representatives from the major trades unions and makes provision to have two representatives from the active, deferred or retired Scheme membership. In addition 3 Scheme member representatives sit on 'the Pension Board'

iii) Independent Professional Observers.

Compliant – An Independent Adviser attends each meeting of 'the Main Panel' and 'the Advisory Panel'. Independent Advisers are also required to attend meetings of 'the Pension Board' as may be requested by the Chairperson.

iv) Expert advisers (on an ad-hoc basis)

Compliant – Expert advisers are invited to meetings of 'the Main Panel' and 'the Advisory Panel' as required. Independent Strategy Advisers attend meetings of the Investment Working Group. In addition expert advisers are required to attend meetings of 'the Pension Board' as may be requested by the Chairperson.

v) Where lay members sit on either 'the Main Panel' or 'the Advisory Panel' they are treated equally in terms of access to papers, meetings and training and are given full opportunity to contribute to the decision making process with or without voting rights. No lay members sit on 'the Pension Board'.

Compliant – Members of both 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' are treated equally in respect of access to papers, meetings and training. All members are given full opportunity to contribute to the decision making process although only members of 'the Main Panel' have voting rights.

SELECTION AND ROLE OF LAY MEMBERS

Members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' need to be fully aware of the status, role and function that they are required to perform.

Compliant – Bodies nominating individuals for membership of 'the Main Panel', 'the Advisory Panel' or 'the Pension Board' are periodically reminded that it is their responsibility to ensure that all members are aware of their responsibilities. The Chair of 'the Main Panel' will remind members of both 'the Main Panel' and 'the Advisory Panel' of their responsibilities as required. The Chair of 'the Pension Board' will remind members of 'the Pension Board' of their responsibilities as required. Each set of papers for every Panel/Board meeting contains a reminder to members of their duty in respect to potential conflicts of interest. Members are expected to declare conflicts of interest and abide by RBWM's rules on conflicts of interest.

VOTING

The policy of the administering authority on voting rights must be clear and transparent and include justification for not extending voting rights to each body or group represented on 'the Main Panel', 'the Advisory Panel' or 'the Pension Board'.

Compliant – The Constitution of RBWM sets out the terms of reference and voting rights of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board'.

TRAINING / FACILITY TIME / EXPENSES

i) In relation to the way in which statutory and related decisions are taken by RBWM, a clear policy on training, facility time and reimbursement of expenses in respect of members involved in that decision making process must be made.

Compliant – All members of 'the Main Panel' and 'the Advisory Panel' are entitled to attend or request training. Members of 'the Pension Board' are required to have a working knowledge of the LGPS regulations and other associated legislation as it relates to the governance and administration of the Scheme and so must commit to undertaking the relevant training in order to achieve this requirement. All members of ~~'the Main Panel, 'the Advisory Panel s/ and 'the Board'~~ are entitled to request the use of facilities belonging to RBWM in respect of their ~~respective duties duties as members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board'~~ and reasonable expenses incurred ~~in relation to their membership of the Panels/Board~~ will be reimbursed upon request.

ii) Any policy must apply equally to all members of the Panels/Board.

Compliant – No distinction is made between members of ~~'the Main Panel', 'the Advisory Panel' or 'the Board'~~. ~~However, the Independent Chairperson of 'the Pension Board' is appointed under contract and so in addition to the reimbursement of reasonable expenses also receives payment for chairing meetings of 'the Pension Board' at a rate of £125 per hour. In addition the Chairperson receives an annual fee of £250 for use of IT systems.~~

MEETINGS (frequency/Quorum)

i) RBWM will hold meetings of 'the Main Panel' at least quarterly.

~~Compliant~~ – Meetings are held quarterly. ~~To be quorate two members are required to attend.~~

Formatted: Indent: Left: 1.27 cm

ii) RBWM will hold meetings with 'the Advisory Panel' at least twice a year synchronised with the dates for meetings of 'the Main Panel'.

Compliant – Both ~~p~~Panels meeting concurrently

iii) RBWM will hold meetings of 'the Pension Board' ~~aligned so far as possible to ahead of each~~ meetings of 'the Main Panel' and 'the Advisory Panel'.

Compliant – 'The Pension Board' meets quarterly at a satisfactory and mutually agreed date. ~~ahead of each meeting of 'the Main Panel' and 'the Advisory Panel'. To be quorate at least 50% of the Board Members must be present and both Scheme Member and Scheme Employer Representatives must be in attendance.~~

iv) Where lay members are included in the formal governance arrangements RBWM will provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.

Compliant – 'The Advisory Panel' has four lay members. ~~Also Scheme employer road shows are held on an ad-hoc basis to explain current issues. An annual Scheme employer meeting is held in March/April with an annual meeting is held for Scheme employers and Scheme members meeting being held in November. In addition pension surgeries and employer training events are held throughout the year.~~

ACCESS

Subject to any rules in RBWM's Constitution, all members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' will have equal access to committee papers, documents and advice that falls to be considered at meetings of the Panels/Board.

Compliant – All members of 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' have equal access to Panel/Board papers, documents and advice that falls to be considered at Panel/Board meetings.

SCOPE

RBWM will take steps to bring wider Scheme issues within the scope of their governance arrangements.

Compliant – Wider Scheme issues are considered by 'the Main Panel', 'the Advisory Panel' and 'the Pension Board' on a regular basis.

PUBLICITY

RBWM will publish details of their governance arrangements in such a way that interested stakeholders can express their interest in wanting to be part of those arrangements.

Compliant – The Governance Policy Statement is published on the Royal County of Berkshire Pension Fund website (www.berkshirerpensions.org.uk) and is available on request from the Pension Manager.

| Approved by The Berkshire Pension Fund Panel on

