

Report Title:	<b>Governance Compliance Statement</b>
Contains Confidential or Exempt Information	No - Part 1
Lead Member:	Councillor Julian Sharpe, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 7 March 2022
Responsible Officer(s):	Damien Pantling, Head of Pension Fund
Wards affected:	None

## **REPORT SUMMARY**

This report provides Members with information regarding the requirement as set out in Regulation 55 of the LGPS Regulations 2013 (as amended) to publish, review and maintain a Governance Compliance Statement, a copy of which can be found at Appendix 1 to this report.

Following updates to scheme governance, Committee members are provided with an updated governance structure chart which shall be a live document to be updated by officers incorporating any future governance or membership changes.

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That the Pension Fund Committee note the report;

- i) **Considers, notes and approves the revised governance compliance statement;**
- ii) **Approves publication of the final version on the Pension Fund website;**
- iii) **Delegates authority to officers to update the Governance Compliance Statement with committee training records once the revised training plan is approved;**
- iv) **Notes the revised Governance Structure Chart.**

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

- 2.1 Regulation 55 of the LGPS Regulations 2013 (as amended) places a statutory responsibility on Pension Fund Administering Authorities to formulate and keep under review a Governance Compliance Statement.
- 2.2 The Governance Compliance Statement must detail whether the Administering Authority delegates its functions, or part of its functions under the LGPS 2013 Regulations (as amended) to a committee, a sub-committee or an officer of the authority and if it does so:
  - 2.2.1 the terms, structure and operational procedures of the delegation,

- 2.2.2 the frequency of any committee or sub-committee meetings,
  - 2.2.3 whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights,
  - 2.2.4 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 so comply, the reasons for not complying, and
  - 2.2.5 details of the terms, structure and operational procedures relating to the local pension board established under Regulation 106 (local pension boards: establishment).
- 2.3 Hymans Robertson published several “Good Governance” recommendations in its Phase 3 report to the SAB (February 2021). Whilst these recommendations are not (yet) backed by legislation, it is good practice to implement these recommendations where appropriate, ahead of any formal guidance. The two relevant recommendations with regard to training are as follows (Section D):
- 2.3.1 Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.
  - 2.3.2 The Administering Authority should develop a training plan to ensure these training requirements are met and maintain training records of key individuals against the training plan. These records should be published in the Governance Compliance Statement.
- 2.4 An updated training plan, framework and policy for Members of the Pension Fund Committee and Pension Fund Advisory Panel will be presented for approval at the next Committee meeting in June 2022. This will include Committee member training records from the date the framework was last approved on 14 December 2020. Once approved, training records shall be appended to the Governance Compliance Statement

### **3 KEY IMPLICATIONS**

- 3.3 The Administering Authority must produce, publish and keep under review its Governance Compliance Statement. Failure to do so could result in the Pensions Regulator issuing fines to the Authority where it is deemed to have failed in areas of scheme governance.

### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

- 4.3 None

## 5 LEGAL IMPLICATIONS

- 5.3 The Administering Authority has a statutory duty to keep under review its Governance Compliance Statement in accordance with the LGPS Regulations 2013 (as amended).

## 6 RISK MANAGEMENT

- 6.3 The below table relates to risk “PEN050” from the risk register considered and approved by Pension Fund Committee on 6 December 2021.

**Table 1: Impact of risk and mitigation (PEN050)**

<b>Risk description</b>	<b>Gross Risk Score</b>	<b>Mitigating Actions</b>	<b>Net Risk Score</b>
Failure to comply with legislative requirements e.g. ISS, FSS, Governance Policy, Freedom of Information requests.	<b>20</b>	1) Publication of all documents on external website and all appointed managers expected to comply with ISS and investment manager agreements. 2) Local Pensions Board is an independent scrutiny and assistance function. 3) Compliance with the legislative requirements are reviewed annually through the audit process.	<b>10</b>

## 7 POTENTIAL IMPACTS

- 7.3 Failure to comply with Pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.
- 7.4 Equalities: Equality Impact Assessments are published on the [council's website](#): N/A
- 7.5 Climate change/sustainability: N/A
- 7.6 Data Protection/GDPR. N/A

## 8 CONSULTATION

- 8.3 N/A

## 9 TIMETABLE FOR IMPLEMENTATION

- 9.3 From 7 March 2022

## 10 APPENDICES

- 10.3 This report is supported by 1 Appendix:

- Appendix 1 – Governance Compliance Statement

- Appendix 2 – Governance Structure Chart

## 11 BACKGROUND DOCUMENTS

11.3 This report is supported by 0 background documents:

## 12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>		<i>Statutory Officers (or deputy)</i>	
Adele Taylor	Executive Director of Resources/S151 Officer		
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer		
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)		
Elaine Browne	Head of Law (Deputy Monitoring Officer)		
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)		
<i>Other consultees:</i>			
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee		

## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Fund Committee decision	Yes/No	Yes/No

Report Author: Damien Pantling, Head of Pension Fund
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