

**SURREY COUNTY COUNCIL**

**SURREY PENSION FUND COMMITTEE**

**DATE: 13 SEPTEMBER 2019**

**LEAD OFFICER: ANNA D'ALESSANDRO**

**SUBJECT: GOVERNANCE COMPLIANCE STATEMENT**



**SUMMARY OF ISSUE:**

Local authority pension funds are required to publish and keep under review a Governance Compliance Statement. The Governance Compliance Statement of the Surrey Pension Fund is comprised from the Compliance to Statutory Guidance Statement and a Governance Policy Statement.

The Governance Compliance Statement was last reviewed by the Pension Fund Committee at its meeting of 22 May 2015. This paper notes any changes to the Governance Compliance Statement since the last review.

**RECOMMENDATIONS:**

It is recommended that the Pension Fund Committee notes the amendments to the Compliance to Statutory Guidance Statement and the Governance Policy Statement.

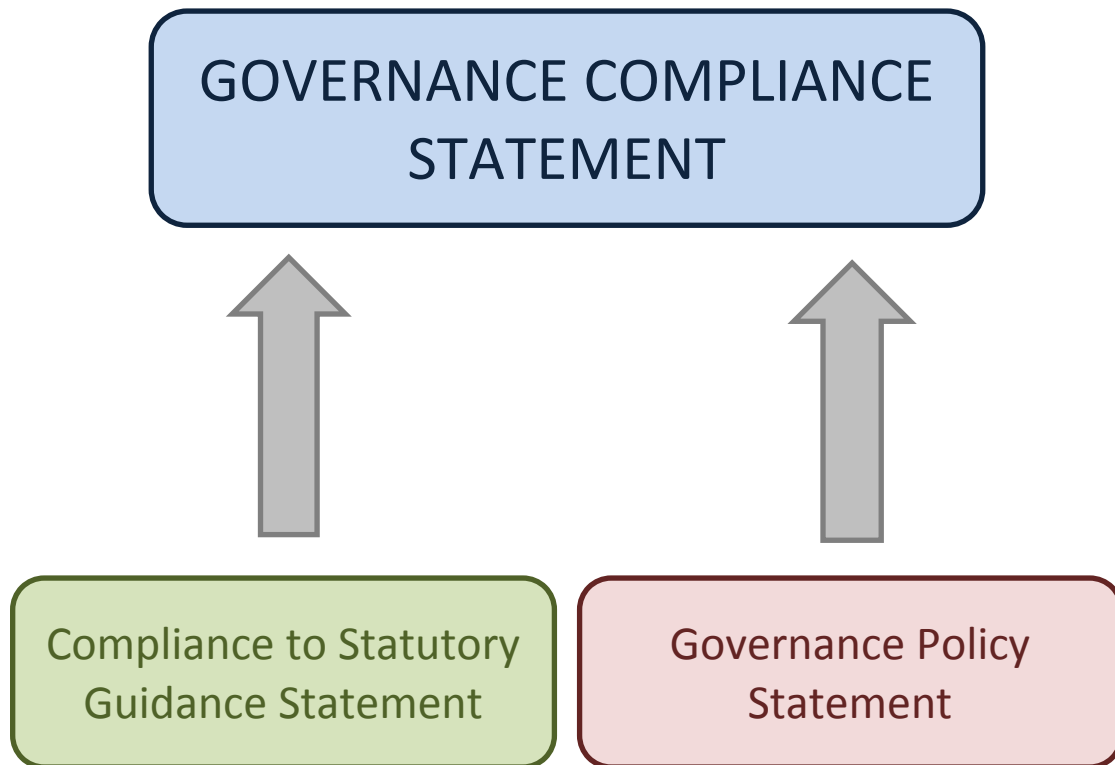
**REASON FOR RECOMMENDATIONS:**

To comply with legislation and in accordance with the Fund's Governance objectives.

**DETAILS:**

**Surrey Pension Fund Governance Compliance Statement**

1. In order to further strengthen its governance structure the Surrey Pension Fund Governance Compliance Statement is made up from two documents:
  - The Compliance to Statutory Guidance Statement
  - The Governance Policy Statement



#### **Regulatory Requirements of the Governance Compliance Statement**

2. The relevant regulation requiring this statement is Regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended).
3. The Governance Compliance Statement must include the following information:
  - The delegation arrangements (from the administering authority to a Committee and/or officers)
  - The frequency of any meetings, terms of reference, structure and operational procedures of the delegation
  - Whether the Board/Committee includes representatives of employing authorities (including non LGPS employers) and members and, if so, whether those representatives have voting rights
4. The Statement must state the extent to which a delegation (or the absence of a delegation) complies with guidance given by the Secretary of State and, if it does not comply, an explanation of the reasons for not complying. Such a disclosure is known as 'comply or explain'.
5. The Statement must include details of the terms, structure and operational procedures relating to the Local Pension Board.
6. In summary, the Governance Compliance Statement covers various governance issues:
  - Structure
  - Representation
  - Selection and role of members of the Pension Fund Committee and the Local Pension Board
  - Voting

- Training
- Facilities
- Expenses
- Meetings (frequency and quorum)
- Access to information and papers
- Scope and publicity

### **Revisions to the Compliance to Statutory Guidance Statement**

7. We still await amendments to the Statutory Guidance provided by the Department of Communities and Local Government (DCLG), to reflect the 2013. LGPS Regulations. When these amendments are confirmed, proposals for the revision of the Compliance to Statutory Guidance Statement will be brought to the Pension Fund Committee.
8. The sole amendment to the Compliance to Statutory Guidance Statement is that all references to Pension Fund Board are replaced with Pension Fund Committee to reflect the constitutional name change.

### **Revisions to the Governance Policy Statement**

9. The Governance Policy Statement includes the following information:
  - The overall governance framework of the Pension Fund Board
  - Delegation of functions and allocation of responsibilities
  - Terms of reference and decision making
  - Operational procedures
10. Amendments to the Governance Policy Statement are as follows:
  - All references to Pension Fund Board are replaced with Pension Fund Committee to reflect the constitutional name change
  - 4.1 and 4.2 of the Local Pension Board Terms of Reference amended to include the option to include two independent members at the recommendation of the Appointment Panel
  - 4.10 and 5.1 of the Local Pension Board Terms of Reference amended to clarify that the members of the Local Pension Board and Chairman and Vice Chairman of the Local Pension Board shall be appointed by the Scheme Manager through the People, Performance and Development Committee
  - 11.1 of the Local Pension Board Terms of Reference amended so that the quorum shall be no fewer than four members which should always include the Chairman or the Vice Chairman, at least one employer representative and at least one member representative
  - 20.3 of the Local Pension Board Terms of Reference amended to show Version 2 of the Terms of Reference was adopted on 18 September 2015 as approved by the Pension Fund Committee

<b>CONSULTATION:</b>
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11. The Chairman of the Pension Fund Committee has been consulted on the proposed change and has offered full support for the proposals.

### **RISK MANAGEMENT AND IMPLICATIONS:**

12. There are no risk related issues contained within the report's proposals.

### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

13. There are no financial or value for money implications.

### **DIRECTOR OF CORPORATE FINANCE COMMENTARY**

14. The Director of Corporate Finance is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed, and that the Governance Compliance Statement provides a sound framework, setting out Surrey's position with regard to every strand of good governance practice.

### **LEGAL IMPLICATIONS – MONITORING OFFICER**

15. The Governance Compliance Statement was originally prepared by the Council in accordance with regulation 73A of the Local Government Pension Scheme Regulations 1997. Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires an administering authority to keep this statement under review and make any revisions as appropriate.

### **EQUALITIES AND DIVERSITY**

16. The approval of a compliance statement will not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

### **OTHER IMPLICATIONS**

17. There are no potential implications for Council priorities and policy areas.

### **WHAT HAPPENS NEXT**

18. The following next steps are planned:

- The statement will be monitored and reviewed.

#### **Contact Officer:**

John Smith, Senior Advisor

#### **Consulted:**

Pension Fund Committee Chairman

#### **Background papers**

- Compliance to Statutory Guidance Statement
- Governance Policy Statement