

PENSION FUND COMMITTEE – 9 JUNE 2023

REVIEW OF GOVERNANCE POLICY & GOVERNANCE COMPLIANCE STATEMENT

Report by the Director of Finance

RECOMMENDATION

- 1. The Committee is RECOMMENDED to approve the revised draft Governance Policy and Governance Compliance Statement attached at Appendix 1 and 2 respectively.**

Introduction

2. Under regulation 55 of the LGPS Regulations 2013, all Funds within the Local Government Pension Scheme (LGPS) in England and Wales are required to publish a Governance Compliance Statement.
3. The regulations prescribe the content of the Governance Compliance Statement/Policy which must also be included in the annual report. The Statement/Policy should outline the overall governance structures and arrangements in place including:
 - the respective roles and responsibilities of the pensions or investments committee, local pensions board and any related sub-committees or advisory panels;
 - membership of each panel, board, committee or sub-committee with details of each member's voting rights, record of attendance at meetings and details of training received;
 - how the CIPFA Knowledge and Skills Framework, and other training requirements, (e.g. for MIFID II and The Pensions Regulator) have been applied;
 - how oversight and governance of the regional asset pool takes place;
 - other key elements of the governance structure (e.g. key officers, risk management arrangements and systems of internal controls);
 - policies and processes for managing conflicts of interest (e.g. Codes of Conduct, Register of Interests).
4. The main updates to Governance Policy which was last reviewed in 2019 includes:
 - Membership of the Pension Fund Committee to reflect the changes to the constitution which were presented to the Committee in March 2021 as a result of the Independent Governance Review carried out by Hymans Robertson. This includes the appointment process for the non-voting representatives;

- Inclusion of a new section on 'Knowledge & Skills', including the Mandatory Training Policy and rules on substitute members.
 - A few additional points within the 'Operational Procedures' section covering:
 - (1) Overview of risk register, internal controls, policies and processes for managing conflicts of interests;
 - (2) Governance arrangements for the Brunel Pension Partnership;
 - (3) Reference to the newly established 'Governance Team' within the 'Informal Governance Arrangements'.
5. As a consequence of the changes to the Governance Policy, the Fund is now fully compliant across all headings and criteria as set out in the Governance Compliance Statement included as Appendix 2 to this report.

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June 2023