

GOVERNANCE COMPLIANCE STATEMENT NOTES FOR PENSIONS & INVESTMENT COMMITTEE (OCTOBER 2009)

With effect from 1 April 2008, the responsibility to review and, where necessary, revise the governance compliance statements of local authority pension funds published under Regulation 73A of The Local Government Pension Scheme Regulations 1997, is set out in Regulation 31 of the 2008 regulations, specifically:

- Regulation 31(2)(a) which requires that the statement be kept under review;
- Regulation 31(2)(b) which requires that such amendments are made as are appropriate following a material change to the Pension Fund's governance arrangement.

THE PRINCIPLES – POINTS OF STATUTORY BEST PRACTICE

Part II/A - Structure

- a. The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.**
- b. That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.**
- c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.**
- d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.**

Part II/B - Committee Membership and Representation

- a) That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. These include :-**
 - i) employing authorities (including non-scheme employers, eg, admitted bodies);**
 - ii) scheme members (including deferred and pensioner scheme members),**
 - iii) where appropriate, independent professional observers, and**
 - iv) expert advisors (on an ad-hoc basis).**

b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.

Part II/C - Selection and role of lay members

a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.

b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda

Part II/D – Voting

a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.

Part II/E – Training/Facility time/Expenses

a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.

b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.

c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.

Part II/F – Meetings (frequency/quorum)

a) That an administering authority's main committee or committees meet at least quarterly.

b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.

c) That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented

Part II/G - Access

a) That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.

Part II/H – Scope

a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements

Part II/I – Publicity

a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.