

Report to: Pension Board

Date of meeting: 3 August 2017

By: Chief Finance Officer

Title: Governance Policy Statement

Purpose: The Local Government Pension Scheme Regulations provides the statutory framework from which the Administering Authority is required to prepare a Fund Governance Policy Statement.

RECOMMENDATION

The Pension Board is recommended to note the updated Governance Policy Statement

1. Background

1.1 Local authority pension funds are required to publish and keep under review a Governance Policy Statement. The Public Services Pensions Act 2013 (The Act) introduces a new framework for the governance and administration of public service pension schemes. The Act has a material impact on existing governance arrangements in the Local Government Pension Scheme (LGPS), which are enforced by changes to the LGPS regulations.

1.2 Under the regulation, all LGPS Funds in England and Wales are required to produce a Governance Compliance/Policy Statement, revise it following any material change in their delegation arrangements and publish it.

2. Regulatory Requirement of the Governance Compliance Statement

2.1 The relevant regulation requiring this statement is Regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended). 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.

The Statement must include details of the terms, structure and operational procedures relating to the Local Pension Board.

2.2 The Public Services Pensions Act 2013 introduces the framework for the governance and administration of public service pension schemes and provides an extended regulatory oversight by the Pensions Regulator. The Regulator is required to issue one or more codes of practice, covering specific matters relating to public service pension schemes. The codes of practice set out the legal requirements for public sector pension schemes in respect of those specific matters.

2.3 The Code of Practice number 14 (the Code) sets out practical guidance and standards of conduct and practice expected of those who exercise functions with regard to the governance and administration of public sector pension schemes. The Code consists of four parts:

- Governing the scheme

- Managing risks;
- Administration;
- Resolving issues.

3. Conclusion and reasons for recommendations

3.1 The Board is recommended to note the amendments to the Governance Policy Statement, which will further strengthen the Pension Fund governance structure as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013.

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Background Documents

None