

Report to: **Pension Board**

Date: **8 February 2018**

By: **Chief Finance Officer**

Title of report: **Governance Policy and Compliance Statement**

Purpose of report: **The Local Government Pension Scheme Regulations provides the statutory framework from which the Administering Authority is required to prepare a Fund Governance Statement. The regulations require that an Administering Authority after consultation with such persons as they consider appropriate, prepare, maintain and publish a written statement.**

RECOMMENDATIONS – The Pension Board is recommended to note –

- 1. the amendments to the Governance Policy Statement attached as Appendix 1;**
 - 2. the Compliance Statement to the Pension Regulator Code of Practice attached as Appendix 2.**
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1. Introduction

1.1 The Local authority pension funds are required to publish and keep under review a Governance Compliance Statement. The Governance Compliance Statement of the East Sussex Pension Fund is comprised from the Compliance to Statutory Guidance Statement and 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 As a result of the Act, The Pensions Regulator has introduced codes of practice covering specific areas relating to public sector pension schemes. The changes to the LGPS regulations and introduction of the Pensions Regulator code of practice 14 and changes in the Scheme of Delegation require revisions to the existing East Sussex Pension Fund Governance Compliance Statement.

2. Regulatory Requirement of the Governance Compliance Statement

2.1 In order to further strengthen its governance structure the East Sussex Pension Fund Governance Compliance Statement is made up from two documents:

- The Compliance to Statutory Guidance Statement;
- The Governance Policy Statement.

2.2 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.

3. The Compliance Statement to the Pensions Regulator Code of Practice 14

3.1 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.

3.2 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.

3.3 Each of the four parts includes examples of what the administering authority must do, and a compliance statement to the Code is attached as Appendix 2 to this report.

4. Conclusion and reasons for recommendations

4.1 The Board is requested to note the amendments to the Governance Policy Statement and the Compliance Statement to the Pension Regulator Code of Practice, which will further strengthen the Pension Fund governance structure.

IAN GUTSELL
Chief Finance Officer

Contact Officers: Ola Owolabi, Head of Pensions, 01273 482017
 ola.owolabi@eastsussex.gov.uk

Background Documents

The Pension Regulator Code of practice number14: Governance and Administration of Public Sector Pension Schemes

Appendices:

Appendix 1: Governance Policy Statement

Appendix 2: Compliance Statement to the Pension Regulators Code of Practice 14