

Essex Pension Fund Strategy Board	EPB/30/15
date: 16 December 2015	

Governance Policy and Compliance Statement Report

Report by the Director for Essex Pension Fund and the Independent Governance & Administration Adviser

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1. Purpose of the Report

- 1.1 To ask the Pension Fund Strategy Board to note the Fund's updated draft Governance Policy and Compliance Statement.

2. Recommendations

- 2.1 It is recommended that the Pension Strategy Board invite the Pension Advisory Board to review the attached policy and provide comment back to a future meeting in 2016.

3. Background

- 3.1 Under the Local Government Pension Scheme Regulations, each Pension Fund Administering Authority is required to produce and keep under review a Governance Policy detailing the following:
- whether the authority delegates its function, or part of its function, in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority;
 - if it does so -
 - the terms, structure and operational procedures of the delegation,
 - the frequency of any committee or sub-committee meetings,
 - whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not Scheme employers) or members, and, if so, whether those representatives have voting rights.
- 3.2 The Policy must also outline the extent to which the Administering Authority complies with guidance given by the Secretary of State and, to the extent it does not so comply, the reasons for not complying.

4. Amendments to Governance Policy

- 4.1 The Board last approved the Governance Policy on 9 December 2013. The Governance policy has been updated to take account of the new governance arrangements effective from 1 April 2015.
- 4.2 The Public Services Pensions Act 2013 and subsequent Local Government Pension Scheme Governance Regulations 2015 required the creation of a Local Board to assist the Scheme Manager (in Essex Pension Fund's case the Essex Pension Fund Board and Investment Steering Committee).
- 4.3 As a consequence in February 2015, Essex County Council agreed the formation of the Essex Pension Fund Advisory Board (PAB) as a result, the Essex Pension Fund Board is now referred to as the Essex Pension Fund Strategy Board (PSB).
- 4.4 The main change to the policy is the inclusion of the PAB terms of reference. The latest guidance issued by the Secretary of State for Communities and Local Government do not currently extend to the governance arrangements of the newly formed PAB. As such the document sets out the PAB's compliance against the requirements applicable to local pension boards as set out in the LGPS Regulations, Scheme Advisory Board Guidance and The Pensions Regulator's Code of Practice No. 14. This is shown in a separate table to the rear of the report.
- 4.5 The Policy has also been updated to take account that with effect from 2014 the approval of the Treasury Management Strategy is now a delegated function of the ISC instead of the PSB.

5. Recommendations

- 5.1 It is recommended that the Pension Strategy Board invite the Pension Advisory Board to review the attached policy and provide comment back to a future meeting in 2016.

6. Link to Essex Pension Fund Objectives

- 6.1 This paper has relevance to the following Fund objectives:

- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise.
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based.
- Understand and monitor risk and compliance.

7 Risk Implications

- 7.1 None.

8 Communication Implications

- 8.1 The Policy will be published on the Fund's website and will appear in the 2015/16 Pension Fund Report and Accounts.

9 Finance and Resources Implications

- 9.1 If agreed, this recommendation will form part of the PAB's 2016 business which in turn will require Officer support.

10 Background Papers

- 10.1 The Public Services Pensions Act 2013
- 10.2 Local Government Pension Scheme Governance Regulations 2015
- 10.3 Scheme Advisory Board Guidance
- 10.4 The Pensions Regulator's Code of Practice No.14