

Report to Pension Committee

29 April 2022

Governance Policy and Compliance Statement Review

Report by Director of Finance and Support Services

Summary

The Local Government Pension Scheme Regulations 2013 require Administering Authorities to set out their arrangements for governance and any delegations it may have in place. The Statement for the West Sussex LGPS reflects arrangements otherwise set out in the County Council's Constitution.

This report concerns an update to the Statement to reflect the change to the Terms of Reference of the Pensions Committee which has sole responsibility for LGPS pension functions and to set out the delegations to the Director of Finance and Support Services and the Director of Law and Assurance through the Council's Constitution. The Statement also places West Sussex County Council, as Administering Authority for the West Sussex Scheme in the context of the national governance and regulatory framework.

Opportunity has also been taken to review language and the presentation of the document.

Recommendation

That the Pensions Committee approves the Governance Policy and Compliance Statement at Appendix A for publication.

That the Pension Advisory Board consider the approved text.

1 Background and context

- 1.1 The Local Government Pension Scheme Regulations 2013 require Administering Authorities to set out their arrangements for governance and any delegations it may have in place.
- 1.2 The review of the published [Governance Policy and Compliance Statement](#) was postponed last year in anticipation of new guidance from the Scheme Advisory Board following completion the Good Governance project. This work has been delayed and therefore the statement has been reviewed against the current guidance. It is proposed that the Advisory Board consider the attached refresh of the Statement at a future meeting to determine whether it wishes to undertake a review in light of the output from the Good Governance project.

- 1.3 The Governance Policy and Governance Compliance Statements set out the responsibilities in relation to the Administering Authority within a single document. The way that the responsibilities are discharged are otherwise detailed within the Constitution.

2 Governance Policy

- 2.1 No significant changes are proposed. The Governance Policy has been revised. Opportunity has been taken to review the presentation and language used in addition to updating the content. The following are highlighted:

- The full recital of the Regulations has been removed from the introduction and context about the national and local arrangements in relation to the Scheme have been included.
- Wording has been included about the duties of the Pensions Committee as distinct from the County Council and Governance Committee.
- Specific references have been included to the responsibilities of the Director of Finance and Support Services and Director of Law and Assurance, as set out in the Constitution.
- The role of the County Council's Governance Committee has been updated specifically in relation to discharging the duties of the County Council in its capacity as Administering Authority through the Pensions Committee.
- The changes to the Terms of Reference for the Pensions Committee and Governance Committee make it clear that the responsibility for LGPS pension functions sits with Pensions Committee.
- A section has been added covering the national governance framework.

3 Governance Compliance Statement

- 3.1 Administering authorities are required to report the extent of compliance against a set of best practice governance principles laid down in statutory guidance.
- 3.2 The format of this Statement is determined by guidance but it has been updated to reflect the changes to the Terms of Reference of the Governance Committee and Pensions Committee (i.e. removing reference to the Pensions Committee being a 'secondary Committee'), the voting rights for the Chairman of the Pension Advisory Board and to provide further information around the Fund's Training Strategy.

4 Consultation, engagement and advice

- 4.1 The Governance Policy and Governance Compliance Statement have been reviewed by the Monitoring Officer of the Council.
- 4.2 The Pension Advisory Board has reviewed the Policy and Statement for compliance against the regulations and guidance in February 2022. They were satisfied that the statement was compliant.

5 Risk implications and mitigations

- 4.3 There are no specific risks save to note that the Council is required to maintain a Statement of Governance and Compliance and should maintain an up-to-date Statement to ensure compliance. Risk is covered more fully within the Business Plan agenda item.

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Appendices

Appendix A – Governance Policy and Compliance Statement

Background papers

None