

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Board**

**Date:** 27 October 2017

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Governance Policy &amp; Governance Compliance Statement</b>
<b>Purpose of the Report</b>	To present the revised Governance Policy & Governance Compliance Statement to the Pension Fund Board.
<b>Recommendations</b>	<b>The Board are asked to note the attached Governance Policy and Governance Compliance Statement provided in the appendix to this report</b>
<b>Enquiries to:</b>	Name – Jo Walton, LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 It has been a requirement for the Administering Authority to publish a Governance Policy and Compliance Statement since the Local Government Pension Scheme (Administration) Regulations 2008 came into force.
- 1.2 The Governance Policy and Compliance Statement incorporates a statement on how compliant the Administering Authority is against a set of best practice principles issued by Communities and Local Government in 2008. The compliance statement is intended to ensure transparency, accountability and stakeholder involvement.
- 1.3 The requirement for the Administering Authority to publish a Governance Policy and Compliance Statement remained in the Local Government Pension Scheme Regulations 2013 the Council (under regulation 55) and the previous review was undertaken in May 2015.
- 1.4 The Administering Authority must keep the policy and statement under review and if revisions are made it should be published and a copy must be sent to the Secretary of State for Communities and Local Government. As such the policy has been reviewed in light of the changes to the constitution to include the Joint Committee and changes in responsibility to the Pension Fund Committee and Investment Sub-Committee.
- 1.5 It is also a statutory requirement that the Governance Policy and Compliance Statement be published in full in the Fund's Annual Report.

## 2. Scheme of Delegation

- 2.1 The Governance Policy and Compliance Statement has been updated to reflect the new scheme of delegation, which was changed to facilitate asset pooling. This was presented to Full Council on 28 March 2017.
- 2.2 The revised Governance Policy and Compliance Statement (2017) can be found in appendix one.
- 2.3 A document noting changes between the 2015 and 2017 versions of the Governance Policy and Compliance Statement can be found in appendix two.

## 3. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>

## 4. Finance & Resources Implications

- 4.1 There are no financial or resource implications as a result of approving the Governance Policy and Compliance Statement.

## 5. Risk Implications

### a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There is no associated risk as the Regulations instruct the Fund to have an up to date Governance and Compliance Statement.	Approval of the revised Governance Policy and Compliance Statement.	Green

### b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
The Governance Policy and Compliance Statement if not approved will result in the Fund not being compliant with LGPS Regulations.	Green
The Governance Policy and Compliance Statement if not approved means that the Fund will have a significant lack of direction, control and structure in the management and governance of its business.	Green

## 6. Communication Implications

<b>Website</b>	The Governance Policy and Compliance Statement will be published on the Fund's website once approved by the Pension Fund Committee.
<b>Communications</b>	The Governance Policy and Compliance Statement will be sent to the Secretary of State for Communities and Local Government.

## 7. Legal Implications

- 7.1 Consideration has been given to the requirements of the Local Government Pension Scheme Regulations 2013 in drafting the Governance Policy and Compliance Statement.

## 8. Consultation with Key Advisers

- 8.1 For the particular updates to this version of the Governance Policy and Compliance Statement, there has been no consultation with the Fund's professional advisers.

## 9. Alternative Options Considered

- 9.1 There is no alternative but to update the Governance Policy and Compliance Statement at this time as the Local Government Pension Scheme Regulations are clear that this statement must be updated upon every material change.

## 10. Background Papers

- 10.1 The current Governance Policy and Compliance Statement as approved by the Pension Committee in June 2015 and can be found on the LGSS Pensions Service website at the following link;

<http://pensions.northamptonshire.gov.uk/wp-content/uploads/2015/08/CPF-Governance-Policy-and-Compliance-Statement-June-2015.pdf>

## 11. Appendices

- 11.1 Appendix One – Governance Policy and Compliance Statement (October 2017)
- 11.2 Appendix Two – Governance Policy and Compliance Statement (June 2015) – comparison document

<b>Checklist of Key Approvals</b>	
Is this decision included in the Business Plan?	No
Will further decisions be required? If so, please outline the timetable here	No
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 22 September 2017