

Croydon Council

REPORT TO:	Pension Committee 13 September 2022
SUBJECT:	Governance Best Practice Compliance Statement
LEAD OFFICER:	Matthew Hallett – Acting Head of Pensions and Treasury

CORPORATE PRIORITY/POLICY CONTEXT:

Sound Financial Management: This report advises the Committee of the changes made to the Governance and Compliance Statement and asks it to review them.

FINANCIAL SUMMARY:

There are no financial implications associated with this report.

1. RECOMMENDATION

1.1 The Committee is asked to review and agree the revised draft Governance Best Practice Compliance Statement attached as Appendix A.

2. EXECUTIVE SUMMARY

2.1 This report updates the Governance Best Practice Compliance Statement for consideration by the Committee.

3. DETAIL

3.1 Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires an administering authority to prepare a written statement setting out the extent to which a delegation of its functions to a committee, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying. In addition A3 of the Scheme Advisory Board Good Governance Review recommends Local Government Pension Scheme Administering Authorities to measure their governance arrangements against any standards set out. Statutory Guidance issued by the, then, Secretary of State for Communities and Local Government or (now) by the Secretary of State for Levelling Up, Housing and Communities. The Committee is expected to review the Governance Best Practice Compliance Statement annually and must consult such persons as it considers appropriate when preparing or revision the statement.

3.2 At their meeting on 14 June 2022 the Committee considered a draft Compliance Statement and the minutes of their discussion were as follows:

3.3 *In response to comments from members, officers noted that Principle G of the report (That subject to any rules in the Council's Constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee) could not be described as fully compliant due to the historical poor performance in producing meeting papers and minutes on time. The Pension Team also agreed to look at whether or not Principle A item d) of the Compliance Statement on Structure could be described as fully compliant. Officers would review whether or not the Pension Board should be described as a sub-committee and if decided not then the Pension Committee did not have sub-committees. It should still be recognised that the Chair of the Pension Board observed Pension Committee meetings and was invited to speak and comment on the work of the Board.*

3.34 **RESOLVED** to review and agree the draft Governance Best Practice Compliance Statement attached as Appendix A.

3.35 The updated compliance statement included as Appendix A takes into account the points made by the Committee and other matters consequent upon the Committee's consideration. Officers confirm that soon after local pension boards were established in 2015 administering authorities, via the Local Government Association, received advice from Leading Counsel that they are not council committees and have no corporate status. Council Committees are created under section 101(1) and 102 of the Local Government Act 1972. Pension Boards are established under section 5 (1) of the Public Service Pensions Act 2013 and The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015. Appendix A sets out where the Pension Fund is fully compliant with the guidance and, where it is not fully compliant, provides an explanation.

3.36 The Committee are asked to review and agree the attached Governance Best Practice Compliance Statement.

4 CONSULTATION

4.1 Officers have prepared the Compliance Statement with regard to the recommendations of the Governance Review carried out by Aon, the Fund's Governance Adviser.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 There are no financial or risk assessment considerations arising from this report.

Approved by: Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

6 LEGAL CONSIDERATIONS

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- 6.1 Burges Salmon LLP (a legal adviser appointed to the Fund) note that there are no direct legal considerations arising from this report but noting further that administering authorities have a legal obligation to produce a written compliance statement further to regulation 55 of the Local Government Pension Scheme Regulations 2013, and to keep that statement under review.

7 HUMAN RESOURCES IMPACT

- 7.1 There are no direct workforce implications arising from the recommendations within this report.

Approved by: Gillian Bevan Head of HR Resources and Assistant Chief Executives on behalf of Dean Shoemith, Chief People Officer

8 EQUALITIES IMPACT

- 8.1 There are no equalities impacts arising from this report.

Approved by: Gavin Hanford, Director of Policy, Programmes & Performance

9 ENVIRONMENTAL IMPACT

- 9.1 There are no environmental impacts arising from this report.

10 CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts arising from this report.

11 DATA PROTECTION IMPLICATIONS

- 11.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett – Acting Head of Pensions and Treasury.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

Appendix A: Governance Best Practice Compliance Statement