

Wiltshire Pension Fund Governance Compliance Statement

The Fund is required to publish a compliance statement under Regulation 55 of the Local Government Pension Scheme Regulations 2013.

In accordance with this requirement, the table below is the Fund's assessment of its compliance with those standards categorised by nine principles;

- Principle A – Structure
- Principle B – Representation
- Principle C – Selection & role of lay members
- Principle D – Voting
- Principle E – Training
- Principle F – Meetings
- Principle G – Access
- Principle H – Scope
- Principle I – Publicity

In addition to the nine required principles the Wiltshire Pension Fund Committee has included two further principles reflecting the changes to the Fund's structure since 2013 and in the interests of best practice. These are;

- Principle J – Assignments & delegations
- Principle K – Reporting

Under section 101 of the Local Government Act 1972, a local authority can delegate their statutory functions to the Council's committees, sub-committees or to officers. This delegation is laid out in Part 3B of Wiltshire Council's Constitution and the existing governance arrangements* of the Fund are provided for using the following structure;

- Pensions Committee – the role and responsibilities of which are set out in its own terms of reference within the Council's Constitution under Part 3B paragraph 2.7 and Protocol 2A;
- Investment sub-Committee (ISC) – a secondary committee reporting to the Pensions Committee, created to carry out predetermined activities on behalf of the Pensions Committee and in accordance with its own terms of reference (effective June 2015);
- Local Pension Board – the role and responsibilities of which are set out in the Council's Constitution under Part 3B paragraph 7 and Protocol 2B (effective April 2015);
- Brunel Pension Partnership (BPP)** – an FCA regulated investment pooling company with its own governance structure in which the Fund seeks to integrate its own governance arrangements. The Administering Authority on behalf of the Fund has four distinct areas of relationship with the BPP, the first two of which are outlined within this compliance statement (effective April 2018). These areas of relationship are;
 - 1) Shareholder – The role and responsibilities of which are set out in a Shareholder Agreement dated 13 July 2017;
 - 2) Client – The role and responsibilities of which are set out in the Fund's Client Service Agreement 13 July 2017;
 - 3) Scheme Employer – The role and responsibilities of which are set out its Admission Agreement and the Fund's Pension Administration Strategy document; and
 - 4) Payroll service provider – The Administering Authority provides the BPP with a payroll service the scope of which is laid out within a separate contract 24 November 2017.

This compliance statement primarily seeks to set out the Pension Committee's and Investment sub-Committee's compliance with the Regulations. Details of the terms, structure and operational procedures relating to the Local Pension Board and Brunel Pension Partnership can be found via the following links;

Wiltshire Pension Fund Local Pension Board [Terms of Reference](#).

*The Board is established under Section 5 of the Public Service Pensions Act 2013 and Regulation 106 of the Local Government Pension Scheme Regulations 2013 and is not a committee constituted under Section 101 of the Local Government Act 1972.

Brunel Pension Partnership

- 1) Terms of Reference covering the governance of Shareholder & Services Agreements ([Terms of Reference](#))
- 2) Service Agreement [Service Agreement](#)

**BPP is established in accordance with the Companies Act 2006 and under its articles of association as submitted to Companies House. Its status as an investment pooling company are governed by the LGPS Investment Regulations 2016.

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
A) Structure	a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	FULL – The Council's Constitution says that the Committee will "exercise the functions of the Council as Administering Authority under the Local Government Superannuation Act and Regulations and deal with all matters relating thereto". The Wiltshire Pension Fund Committee has the power to "...make decisions on matters of significant policy..." (Part 3B, para 4).	(Part 3, para 2.7 and Protocol 2A)
	b) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	FULL – All minutes of meetings and recommendations taken by the ISC are reported back to the next main committee meeting.	ISC Terms of Reference
	c) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	FULL – At least 4 core members of the ISC sit on the main committee.	ISC Terms of Reference
	d) That governance arrangements exist with the Brunel Pension Partnership, the Fund's investment pooling company, in which the Administering Authority	The governance arrangements include a Shareholder Agreement, Service Agreement & Terms of Reference detailing the relationship of each party which will	BPP Shareholder and Service Agreements and BPP's Terms of Reference

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	<p>is both a Shareholder and a client and that the structure ensures effective communication in both capacities</p>	<p>form part of the Brunel Pension Partnership's constitution.</p> <p>A separate Administering Authority official will represent it as a shareholder and as a client.</p> <p>BPP will be responsible for the appointment of external investments managers to implement the Fund's investment policy. All minutes of meetings and decisions taken by the BPP will be reported back to the next main committee meeting.</p>	
	<p>e) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.</p>	<p>FULL – There are two voting representatives from Swindon Borough Council, two voting representatives from Admitted Bodies and 2 UNISON Observers (representing active, deferred and pensioner members), all of whom are members of the main committee.</p> <p>There is an Investment Sub-Committee (ISC) which operates on behalf of the Committee in accordance with the ISC's Terms of Reference and the prevailing Investment Strategy Statement. This consists of a minimum of 4 core voting members, namely the Chair, Vice-Chair, one Wiltshire Council elected member from the main committee and one co-opted member of the main committee. All members of the main committee may be an observer.</p>	<p>Protocol 2A</p> <p>ISC terms of reference</p>
<p>B) Representation</p>	<p>a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure.</p>		

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	<p>These include:</p> <ul style="list-style-type: none"> i. employing authorities (including non-scheme employers, eg, admitted bodies); ii. scheme members (including deferred and pensioner scheme members); iii. independent professional observers; and iv. expert advisors (on an ad-hoc basis). <p>b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	<p>FULL – four representatives in total, two from Swindon Borough Council and two from Scheduled bodies such as Academies/Colleges, or Admitted Bodies. The non-elected members will hold their office for a maximum of 4 years before a re-election process needs to take place.</p> <p>FULL – two non-voting representatives from UNISON, who represent active, deferred and pensioner members</p> <p>FULL – Our Independent Pension Adviser, who attends all meetings, fulfils this role and feeds back any observations to the Chief Finance Officer and/or Heads of Pensions</p> <p>FULL – Mercers (the Fund’s Investment Consultant) and Hymans Robertson (the Fund’s Actuary) attends all meetings where expert advice relating to their area is required</p> <p>FULL – All members of the Committee are given equal access to papers, meetings and training and can fully participate in debates.</p>	<p>Protocol 2A</p> <p>Protocol 2A</p> <p>Protocol 2A</p>
C) Selection and	a) That committee or panel	FULL – Full Induction	Protocol 2A

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Role of Lay Members	members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Training and Governance is given, and each member is given a Members' Handbook outlining their responsibilities amongst other information.	
	b) That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	FULL – this is a standard part of committee procedure.	Protocol 2A
	c) That Committee members selection is undertaken in accordance with the Local Government and Housing Act 1989.	FULL – selection will follow consultation between Wiltshire Council and the political groups.	Local Government and Housing Act 1989
	d) That the Secondary Committee member selection is undertaken with reference to this governance statement & its own terms of reference.	FULL – Selection of at least 4 voting members will be made in accordance with its own terms of reference.	
	e) That Brunel Pension Partnership selection for the roles of Administering Authority Shareholder and Client representative will be made in accordance with the Shareholder and Services Agreements.	Unless by other agreement the Chair of the Committee will take the role of Shareholder representative and the Head of Pension Fund Investments will take the role of Client representative	Shareholder and Service Agreements
	f) That substitute member selection will be undertaken in accordance with both Wiltshire and Swindon Borough Council's constitutions	FULL – All substitute members will be subject to the requirements of Committee members in terms of their selection, training and standards	Constitutions of Wiltshire and Swindon Borough Councils
D) Voting	a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	FULL – The Committee has afforded each of its members voting rights, except the UNISON Observers who represent members. Being a statutory pension scheme, the local committee has very little influence over benefits and the members are fully protected by statute. Therefore, there is very little that scheme	Protocol 2A

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		<p>members (or their representatives) can influence on the committee that has any direct impact upon them. Further, giving voting rights to the observers would mean increasing the size of the Committee, because the Administering Authority must legally be able to maintain a majority.</p>	
	<p>b) The voting of Secondary Committee appointments and the role of their vote following appointment</p>	<p>The ISC's Terms of Reference will set out the voting process by which it appoints its voting members. The capacity of a voting member's vote will also be determined by its Terms of Reference.</p>	<p>ISC Terms of Reference</p>
	<p>c) The role of the Administering Authority's Shareholder representative on voting on behalf of the interests of the Authority in respect of the Brunel Pension Partnership.</p>	<p>The scope of the Shareholder representative's voting powers will be in accordance with the Agreement. The Shareholder representative will always only vote with the consent of the Administering Authority, who must receive written notification of all matters voted upon and how their vote was cast.</p>	<p>Shareholder Agreement</p>
<p>E) Training/Facility Time/Expenses</p>	<p>a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p>	<p>FULL – There is a Members' Training Plan which is fully implemented and is updated regularly. All members and substitutes (including observers) have full access to all training opportunities and can claim all reasonable expenses.</p>	<p>Protocol 2A</p>
	<p>b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.</p>	<p>FULL – see Members Training Plan</p>	<p>Protocol 2A</p>
	<p>c) That where a statutory training requirement exists, all members of</p>	<p>See Members Training Plan</p>	<p>Protocol 2A</p>

AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REFERENCE
	committee, secondary committees, substitutes, advisory panels or any other form of forum will ensure that they remain competent to fulfil their role and responsibilities		
F) Meetings - Frequency	a) That an administering authority's main committee or committees meet at least quarterly.	FULL – The Committee meets four times per year, plus on an ad-hoc basis for special issues (eg. valuation, tenders)	Wiltshire Council Constitution
	b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	FULL – The ISC may meet as often as required, subject to a minimum of two meetings per annum.	ISC Terms of Reference
	c) That a representative of the administering authority will attend each Brunel Oversight Board and Client Group meeting held by the Brunel Pension Partnership.	<p>The Brunel Oversight Board will meet as often as required and should be attended by the Shareholder representative</p> <p>The Brunel Client Group will meet as often as required and should be attended by the Client Group representative</p>	<p>Shareholder Agreement</p> <p>Shareholder Agreement</p>
	d) That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	FULL – From 1 April 2015, Wiltshire Council in its role of Administering Authority has established a Local Pension Board. It consists of 6 voting members (3 employer and 3-member representatives) along with a non-voting independent chair. The purpose of this Board is to review and ensure the Wiltshire Pension Fund secures compliance with the Scheme regulations and all other relevant legislation.	Protocol 2B
G) Access	a) 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	FULL – All members of the Committee (including non-voting and substitute members) receive all the papers for every meeting, including the confidential ones	Wiltshire Council Constitution

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	advice that falls to be considered at meetings of the main committee.		
H) Scope	a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	FULL – All matters in relation to the Fund, whether Benefits, Governance, Investments, Communications, Employers, Financial, etc, are covered by the governance arrangements.	Protcocol 2A
I) Publicity	a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	FULL – The Governance Compliance Statement is available on the Wiltshire Pension Fund Website and in the Wiltshire Pension Fund Annual Report. This statement is approved by the main committee which is held as a meeting open to public participation	Protocol 2A
J) Assignments & delegations	a) Where the Committee has been delegated a responsibility by the administering authority it cannot delegate that responsibility to a secondary committee	FULL – The ISC will operate purely in an advisory role to the Committee, making recommendations to it, on which the Committee will decide.	Wiltshire Council Constitution ISC Terms of Reference
	b) That the Brunel Pension Partnership authority to make an investment decision has been delegated to it by the administering authority and that the Committee acts as the administering authority's decision-making forum	The BPP will act on the instructions of the Committee as advised to it by the Fund's Client representative (or their designated substitute). BPP will act subject to that instruction and in accordance with its mandates, Terms of Reference or any other recognised document.	Service Agreement
	c) That in the event of an emergency, the administering authority's emergency powers will allow officers to take decisions.	Where a Committee meeting cannot take place, the scheme of sub-delegation to the Director of Finance and Procurement allows that Director to take decisions on behalf of the Council, unless responsibility has not been specifically reserved. Subject to approval and after consultation with the Chair and Vice-chair	Wiltshire Council Constitution, Part 3, Section D2, Paragraph 1. With reference to the Pension Committee minutes dated 26 March 2020 – Minute 124.

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		the Director can make decisions on behalf of the Fund. All decisions must be reported back to the next Committee meeting.	
K) Reporting	a) The Committee will report to the Local Pension Board to the extent that the Board can fulfil its statutory function.	Reporting will include items specified within the Local Pension Board's Terms of Reference	Protocol 2B
	b) The Committee will ensure all external reporting is completed to the extent that it will fulfil its statutory function.	Reporting will include the Scheme Return, GAD Financial reporting and HMRC Event reporting etc	

November 2020
Wiltshire Pension Fund Committee