

WILTSHIRE PENSION FUND COMMITTEE
27 February 2008

GOVERNANCE COMPLIANCE STATEMENT

Purpose of the Report

1. The purpose of this report is to seek Members' approval of the draft Wiltshire Pension Fund Governance Compliance Statement.

Background

2. Under the LGPS (Amendment) (No 3) Regulations 2007 SI 2007 No 1561, which came into force on 30 June 2007, all Local Government Pension Funds in England and Wales must publish a Governance Compliance Statement.
3. The first statement is due to be published by 1 March 2008. However, at the time of writing the Statutory Guidance has not been published in final form, so this Statement has been produced based on the draft Statutory Guidance.

Considerations for the Committee

4. The proposed Governance Compliance Statement for Wiltshire Pension Fund is attached as an Appendix for Members' consideration. It is a factual statement of existing good practice.
5. However, there are two areas where the Wiltshire Pension Fund is not compliant with the best practice implied by the Regulations. In both cases, this non-compliance has been explained in the Statement in the light of the current policy position, although the Committee may wish to consider changing its policy in these areas.

Pensioners/Deferred Member Representation on the Committee

6. The current Committee does not include direct representation from pensioners and deferred members, although the Committee does have UNISON Trade Union non-voting representation to speak for the interests of current active members of the Fund. Historically the Committee had decided that it could see no benefit in giving representation to pensioners and deferred members.
7. The Committee's view strategically has been to keep the Committee to a manageable size in order to promote efficient and effective decision making. Given the statutory nature of the Scheme (ie. the Committee has virtually no influence over the benefits structure) and the fact that pensioners and deferred members are no longer accruing service, there has seemed to be little benefit in enlarging the Committee by giving these groups representation.

Training and Expenses

8. Non-voting members of the Committee (ie. currently the UNISON representatives) do not have their chargeable external training courses paid for by the Fund. However, they do have access to all the training opportunities given to the voting members of the Committee and all in-house training is provided free of charge. The position previously taken on this issue has been that the correct balance is achieved by targeting limited training resources at those who are able to influence the final decision by voting.

Environmental Impact of the Proposal

9. There is no environmental impact of these proposals.

Financial Considerations & Risk Assessment

10. There are no direct financial implications of this Regulation.

Reasons for Proposals

11. This is a legal requirement under the Local Government Pension Scheme Regulations.

Proposals

12. The Committee is asked to approve the draft Governance Policy Statement (see Appendix), subject to changes for any policy changes it may wish to make in respect of the two areas of non-compliance that have been highlighted.

SANDRA SCHOFIELD
Chief Financial Officer

Report Author: David Broome

Unpublished documents relied upon in the production of this report:

- Wiltshire Pension Fund's "Governance Policy Statement" (approved by this Committee on 25 May 2006)
- Wiltshire Pension Fund's Members' Information Note – "The Role of Members"
- Wiltshire Pension Fund's "Members' Training Plan" (approved by this Committee on 5 September 2005)

137/2008/WPF/DB

WILTSHIRE PENSION FUND (DRAFT) GOVERNANCE COMPLIANCE STATEMENT



AREA	PRINCIPLE	LEVEL OF COMPLIANCE	REASON FOR NON-COMPLIANCE
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 – see Governance Policy Statement	N/A
	b) 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.	PARTIAL – Pensioners and Deferred Members are not currently represented	The Committee's view is it must be kept to a manageable size in order to promote efficient and effective decision making. Given the statutory nature of the Scheme and the fact that pensioners and deferred members are no longer accruing service, there seems little operational benefit in enlarging the Committee by giving these groups representation
	c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	N/A – There is no secondary committee	N/A
	d) That where a secondary committee or panel has been established, at least one seat on	N/A – There is no secondary committee	N/A

APPENDIX

	the main committee is allocated for a member from the secondary committee or panel.		
B) Representation	<p>a) That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. 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 – See Governance Policy Statement</p> <p>PARTIAL – see A) b) above</p> <p>FULL – Our Independent Pension Adviser, who attends all meetings, fulfils this role and feeds back any observations to the Chief Financial Officer and/or Head of Pensions</p> <p>FULL – Hymans Robertson (the Fund's Actuary and Investment Consultant) attends all meetings where expert advice is required</p> <p>PARTIAL – non-voting members (ie. currently trade union representatives) have access to all the training opportunities given to the whole Committee, including all in-house training, but they are asked to pay for any chargeable external training that they request to attend</p>	<p>N/A</p> <p>see A) b) above</p> <p>N/A</p> <p>N/A</p> <p>Given the Committee's responsibility to control costs, it is our belief that the correct balance is achieved by targeting limited training resources at those who are able to influence the final decision by voting</p>

APPENDIX

C) Selection and Role of Lay Members	a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	FULL – see Governance Policy Statement and Members' Information Note – "The Role of Members"	N/A
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 – see Governance Policy Statement	N/A
E) Training/Facility Time/Expenses	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.	FULL – see Governance Policy Statement and Members Training Plan	N/A
	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.	FULL – see Members Training Plan	N/A
F) Meetings - Frequency	a) That an administering authority's main committee or committees meet at least quarterly.	FULL – see Governance Policy Statement	N/A
	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.	N/A – There is no secondary committee	N/A

APPENDIX

	c) 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.	N/A – There is no secondary committee	N/A
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 advice that falls to be considered at meetings of the main committee.	FULL – All members of the Committee (including non voting and substitute members) receive all the papers for every meeting, including the confidential ones	N/A
H) Scope	a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	FULL – see Governance Policy Statement	N/A
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 – both the Governance Policy Statement and Governance Compliance Statement are/will be available on the Wiltshire Pension Fund Website and in the Wiltshire Pension Fund Annual Report	N/A