

Governance Compliance Statement

As approved March 2017.

The Local Government Pension Scheme Regulations 2013 (LGPS 2013 Regulations) require administering authorities to prepare a written statement setting out compliance with best practice governance principles.

The following statement sets out:

- the principles against which compliance is to be measured;
- the level of compliance by the Cornwall Pension Fund;
- evidence of compliance; and, if appropriate, reasons for non-compliance.

Section 1 sets out how the Administering Authority exercises its powers of delegation under the LGPS 2013 Regulations

Section 2 sets out details of the terms, structure and operational procedures relating to the local pension board established under the LGPS 2013 Regulations.

Section 1

Statutory Guidance Governance Standards and Principles	Compliance status	Evidence of compliance and justification 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.	Compliant	The terms of reference for the Pensions Committee clearly define its responsibilities in these areas
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.	Compliant	The Pensions Committee membership is: - with full voting rights: • 10 Cornwall Councillors • 2 representatives of the other employers • 2 member-nominated representatives appointed by the trade unions representing employees, deferred members and pensioners
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not Applicable	The Pensions Committee has no secondary committee
d) 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.	Not Applicable	The Pensions Committee has no secondary committee

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B – Representation

a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:		
i) employing authorities (including non-scheme employers, eg, admitted bodies);	Compliant	See A - Structure, section b) above.
ii) scheme members (including deferred and pensioner scheme members);	Compliant	The Pensions Committee includes 2 member-nominated representatives appointed by the trade unions, representing employees, pensioner and deferred pensioner members.
iii) independent professional observers; and	Compliant	The Committee is advised by an independent professional adviser who is invited to attend all meetings of the Pensions Committee and other relevant meetings.
iv) expert advisors (on an ad-hoc basis).	Compliant	The Fund has a contract with Hymans Robertson covering actuarial services and JLT Investment Consulting as investment advisors. Other advisors covering actuarial, benefit and investment services are available from the South West framework agreement on an ad-hoc basis, if required.
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.	Compliant	All members of the Pensions Committee are given equal access to meetings, training events and can fully contribute to the decision making process.

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.	Compliant	On appointment all new Pensions Committee members receive an information pack and induction training, setting out the status of the LGPS, and the role of the committee in respect of the fiduciary duties and the extent to which this committee differs from any other committee that Cornwall Council members may be involved with.
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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.	Compliant	The constitution of the Pensions Committee and the Governance Statement sets out the voting rights of each organisation.
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E – Training, facility time and expenses

<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>	Compliant	<p>The Pensions Committee recognises the importance of training for members of the Committee and fully supports Myner's first principle. This states that decisions should only be taken by persons or organisations with the skill, information and resources necessary to take them effectively. In the Fund Business Plan provision is made for the cost of Member Training to further the achievement of this. In recognition of the need for specialist knowledge no substitutes are allowed on the Pensions Committee.</p> <p>Cornwall Council, as administering authority has fully embraced CIPFA's Knowledge and Skills framework for members of the committee as well as officers involved in the support to the Committee. As such, an extensive programme of training is undertaken, with events being held on a quarterly basis covering the range of topics identified within the Knowledge and Skills framework. There is also an agreed training strategy that the Committee follows in order to demonstrate their commitment to this statutory requirement.</p> <p>Any expenses incurred by members of the Pensions Committee in attending training courses are reimbursed through the Council arrangements Members' Allowance Scheme. For employee and employer representatives they will liaise with the Pensions Investment Manager for expenses incurred.</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>	Compliant	<p>All members of the Pensions Committee have equal access to training.</p>

F – Meetings (frequency/quorum)

<p>a) That an administering authority's main committee or committees meet at least quarterly.</p>	Compliant	<p>There are four scheduled quarterly meetings of the Pensions Committee. Additional Committee meetings are arranged as necessary.</p>
<p>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.</p>	Not Applicable	<p>The Pensions Committee has no secondary committee</p>
<p>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.</p>	Not Applicable	<p>The Pensions Committee does not include lay members, however an Annual Employers Meeting is held to which all employers are invited. The interests of scheme members are represented through the Member Nominated Representatives.</p>

G – Access

<p>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.</p>	Compliant	<p>All members of our Pensions Committee receive the same agenda and all reports and papers, including those treated as confidential.</p>
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H – Scope

a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	The remit of the Pensions Committee includes all matters relating to the Local Government Pension scheme, including issues in relation to discretions.
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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.	Compliant	The Governance Policy Statement was approved by the Pensions Committee in September 2014. The Statement is available on the Council and Pension Fund's website within the Fund's Annual Report.
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Section 2

Local Pension Board Compliance

Requirement	Compliance status	Evidence of compliance and justification for non-compliance
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A - LGPS 2013 Regulations

Where the Scheme manager is a committee of a local authority the local pension board may be the same committee if approval in writing has been obtained from the Secretary of State.	N/A	Cornwall Councils decision making functions are delegated to a pensions committee (see Section 1). The local pension board is constituted separately.
Where the administration and management of a Scheme is wholly or mainly shared by two or more administering authorities, those administering authorities may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.	N/A	Cornwall Council does not wholly or mainly share administration with any other administering authority and as a result cannot operate a joint local pension board.
Only employer and scheme member representatives shall be entitled to vote	Compliant	The local pension board terms of reference specify that all employer and scheme member representatives will be entitled to vote, but the independent Chair does not.
The administering authority has established a fair and transparent process for the appointment of local pension board members	Compliant	A fair and transparent process for the appointment of employer and scheme member representatives is included as an annex to the local pension board's terms of reference. The process allows all eligible individuals to put their names forward for consideration against a clearly defined set of criteria.
The local pension board consists of at least 4 members of whom 2 are employer representatives and 2 scheme member representatives	Compliant	The structure of the local pension board is, as follows; <ul style="list-style-type: none"> • 2 employer representatives drawn from any employer participating in the Cornwall Pension Fund • 2 scheme member representatives drawn from the active, deferred or pensioner membership of the Cornwall Pension Fund. • 1 independent Chair.
Employer and scheme member representatives have the capacity to represent their constituency.	Compliant	As part of the selection process, prospective pension board members are first assessed against their ability to commit the time to attend meetings, undertake training and effectively represent employers and members (as appropriate)

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Where the local pension board is not a joint body also exercising delegated decision making powers; a) no officer or elected member of the administering authority who is also responsible for the discharge of functions under LGPS 2013 may be a member of the local pension board, and b) any elected member of the administering authority who is a member of the pension board must be an employer or scheme member representative	Compliant	The local pension board terms of reference specify that; 1. No officer or elected member of Cornwall Council who is either responsible for discharging any function in relation to the LGPS regulations or has delegated decision making authority in relation to LGPS matters may be a member of the Local Pension Board, and 2. the employer representatives may be elected members or officers of scheme employers represented in the Cornwall Pension Fund
No person to be appointed to the pension board may have a conflict of interest.	Compliant	The local pension board has its own policy on the managing of conflicts. Prospective members of the local pension board are required to declare any interests which are assessed as part of the appointment process as well as at any subsequent point that they arise.
No member of a pension board may have a conflict of interest.	Compliant	The local pension board has its own policy on the managing of conflicts. Members of the local pension board are required to complete and keep up to date a register of interests. Members of the local pension board are required to provide any information requested by Cornwall Council in order to establish the existence or otherwise of a conflict of interests.

B - Training

There is a clear policy on training which complies with the Pension Regulator's code of practice no. 14	Compliant	A training strategy exists detailing how Pension Board members will attain and maintain the appropriate level of knowledge and understanding to carry out their duties effectively. All pension board members are required to attend training.
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C - Expenses and facility time

There is a clear policy on the reimbursement of expenses and use of facility time	Compliant	Allowances and expenses will be in accordance with established practice for the committees of Cornwall Council. It is expected that employers will facilitate reasonable paid absence to allow Local Pension Board members to fulfil their representative role.
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D - Conduct of members

The members of a Local Pension Board should have regard to the 'Seven Principles of Public Life' ("the Nolan Principles")	Compliant	The pension board's terms of reference requires members to abide by the Nolan Principles and the required Code of Conduct for elected members.
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E - Reporting Breaches

There should be a policy in place for the reporting of breaches of the law.	Compliant	The pension board has a policy on breaches of law which is in line with the requirements of the Pensions Regulator
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F - Internal reporting

There should be a clear mechanism for the Pension Board to report its requests, recommendations or concerns	Compliant	The circumstances and mechanism for internal reporting form part of the board's terms of reference.
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