

	<p>Local Pension Board 14th February 2018</p>
<p style="text-align: right;">Title</p>	<p>Consultation on Governance Policy and Compliance Statement</p>
<p style="text-align: right;">Report of</p>	<p>Interim Director of Finance</p>
<p style="text-align: right;">Wards</p>	<p>n/a</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 - Governance Compliance Statement</p>
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<p>Summary</p>
<p>The Council as administering authority of the Barnet Pension Fund is required by regulations and best practice to maintain, publish and comply with various statement and policy documents. One of these is the Governance Policy and Compliance Statement. This statement has been revised to incorporate the role of the Local Pension Board. In line with the LGPS Regulations 2013, the Board is being consulted on the revised draft statement.</p>

<p>Recommendations</p>
<p>That the Board reviews the draft Governance Policy and Compliance Statement. Any comments will be reported to the Pension Fund Committee prior to finalisation of the statement.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The Board's role is to assist the administering authority in securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme. The Governance Policy and Compliance Statement ("the statement") is required the LGPS Regulations 2013 in situations in which the administering authority has delegated its functions. An extract of the Regulations is appended to the draft statement. Barnet Council has delegated its functions to the Pension Fund Committee and established a Local Pension Board to assist in ensuring compliance with regulations and best practice.
- 1.2 The draft statement describes the role of the bodies or individuals with delegated powers and the manner in which these bodies function and represent the membership and employers within the fund. Attached to the draft statement is a checklist indicating the extent to which the governance arrangements of the Barnet fund comply with guidance issued by the Secretary of State for Communities and Local Government
- 1.3 The Board is invited to review the draft statement and propose amendments if considered appropriate.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Local Pension Board's terms of reference include ensuring compliance with Regulations. The statement is a regulatory requirement.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Board is able to propose alternative drafting for the statement.

4. POST DECISION IMPLEMENTATION

- 4.1 Comments from the Board will be brought to the attention of the Pension Fund Committee. The statement must be kept under review.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports delivery of Council's strategic objectives and priorities as expressed through the Corporate Plan 2015-2020 by assisting in maintaining the integrity of the Pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 None in the context of this report.

5.3 Social Value

5.3.1 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is LB Barnet. The Local Government Pension Scheme Regulations 2015 requires the Council to establish a Local Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice.

5.4.2 This paper considers statements required by regulation, with the details of the regulations contained within the paper.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 There are both financial and reputational risks from non-compliance with regulation and best practice. The paper identifies gaps in compliance that will be addressed.

5.6 Equalities and Diversity

5.6.1 There are no Equalities and Diversity issues arising from this report.

5.6.2 Pursuant to the Equalities Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements and monitoring of the Pension Fund's

managers will benefit everyone who contributes to the fund.

5.7 Consultation and Engagement

5.7.1 When policies and statements are updated there will be full consultation with the Board and scheme employers.

5.8 Insight

5.8.1 The gaps in compliance with regulations together with the minimalistic approach to compliance indicate scope for improvements in Pension Fund governance.

6. BACKGROUND PAPERS

6.1 None