

PENSION BOARD

7 MARCH 2022

GOVERNANCE REVIEW AND UPDATE

Recommendation

1. **The Chief Financial Officer recommends that the Board reviews this Governance Review and Update, in particular the proposed changes to:**
 - a) **The Fund's Governance Policy Statement; and**
 - b) **The terms of reference (TOR) for the Pension Board, Pensions Committee and Pension Investment Sub Committee.**

Background

2. The Fund regularly reviews all its statements of policy / strategy, particularly when new legislation or guidance is issued.
3. The Fund has been updating its Business Plan and Risk Register quarterly since March 2019 and continues so to do.
4. The Fund's [1 November 2021 Business Plan](#) included:
 - a) An updated Good Governance Position Statement; and
 - b) An update on reviewing the objectives for and performance of the Fund's independent investment adviser.
5. An updated (Feb 2022) **Good Governance Position Statement** is included with this Governance Review and Update's supporting information.

Review

6. As it is good practice to (and [LGPS regulation 55](#) requires funds to) review and publish the Fund's **Governance Compliance Statement** - ours is presented in our annual reports and in our **Governance Policy Statement** - officers have reviewed our existing Governance Policy Statement and prepared a draft Governance Policy Statement Feb 2022 (on which track changes has been set) that is attached as Appendix 2.
7. The changes to the Policy Statement relate to updated pension scheme numbers; Government Departments; policy reference documents; document links; job titles; representation on the LGPS Central Joint Committee; and other minor textual amendments. As these changes are not significant, they will not need to be referred to Council for approval.
8. As the Benchmarking of Governance Compliance Statements and Policies on Representation 25 10 2021 (that was reported to the Board at its meeting of 17 November 2021 in item A3 of Appendix 2 of the Business Plan of 1 November 2021 and is also included with this Governance Review and Update's supporting information)

confirmed that we are complying with existing best practice, we do not plan at this point to pick up the findings contained in the attached WPF Governance Compliance Statement 2021 benchmarked against Appendix 2 of the Phase 3 Good Governance Report presented to the SAB that was Appendix 4 to the Good Governance Update presented at the Board meeting of 17 September 2021. We will, however, continue to monitor developments on SAB's Good Governance project closely and take account of any audit recommendations to see if we need to accelerate action on this.

9. Reviews of the terms of reference (**TOR**) for our **Pension Board, Pensions Committee and Pension Investment Sub Committee** were undertaken in February 2022. As a result, the Pension Board's TOR will need to be updated to make reference to 'The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016' as well as some other minor textual changes. The Pensions Committee and Pension Investment Sub-Committee TOR will also need to be amended to reflect the changes made to the proposed draft Governance Policy Statement Feb 2022. Again, as these changes are not significant, they will not need to be referred to Council for approval

10. As detailed in this meeting's agenda item about our **Funding Strategy Statement**, we propose making changes to our existing FSS, our Statement of Policy on our Discretions as an administering authority, and our Making a formal representation for an exit credit payment document.

11. As detailed in this meeting's agenda items about our **Pension Administration Strategy**, our **Application for Continued Signatory Status to the UK Stewardship Code**, our **Climate Risk Strategy**, our **Climate Related Financial Disclosures**, and our **Investment Strategy Statement**, we propose making changes to these statements of policy / strategy.

Supporting information

- Appendix 1 - Good Governance Position Statement Feb 2022
- Appendix 2 - Draft Governance Policy Statement Feb 2022
- Appendix 3 - Benchmarking of Governance Compliance Statements and Policies on Representation 25 10 2021
- Appendix 4 - WPF Governance Compliance Statement 2021 benchmarked against App 2 of the Phase 3 Good Governance Report presented to the SAB

Contact Points

Specific Contact Points for this report

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Background Papers

In the opinion of the proper Officer (in this case the Chief Financial Officer), there are no background papers relating to the subject matter of this report.