

## Avon Pension Fund - Governance Compliance Statement

The Local Government Pension Scheme (Administration) Regulations 2008 require the administering authority to prepare a Governance Compliance Statement. This statement should be read in conjunction with the Avon Pension Fund Terms of Reference.

| Statutory Governance Principles   | Compliance status and justification of non-compliance   |
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| <b>A - Structure</b>  | <b>Compliant</b>  |
| <p>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.</p> <p>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.</p> <p>c) That where a secondary committee or panel has been established, the structure ensures effective</p> | <p>Bath &amp; North East Somerset Council, as administering authority, has executive responsibility for the Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee (APFC) which is the formal decision making body for the Fund. The committee is subject to Terms of Reference as agreed by the Council, the Council's standing orders and financial regulations including the Codes of Practice.</p> <p>The APFC consists of 12 voting members, viz:</p> <ul style="list-style-type: none"> <li>- 5 elected members from Bath &amp; North East Somerset Council</li> <li>- 3 elected members from the other West Of England unitary councils</li> <li>- 1 nominated by the trades unions</li> <li>- 1 nominated by the Higher/Further education bodies</li> <li>- 2 independent members</li> </ul> <p>and 4 non-voting members, viz:</p> <ul style="list-style-type: none"> <li>- 3 nominated by the trades unions</li> <li>- 1 nominated by the Parish/Town Councils</li> </ul> <p>The Avon Pension Fund has a sub-committee, the Investment Panel, to consider matters relating to the management and investment of the assets of the Fund in</p> |

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| <p>communication across both levels.</p> <p>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.</p>  | <p>greater detail. The Investment Panel is made up of members of the main committee. The Panel has delegated powers to take decisions on specific issues and otherwise makes recommendations to the Committee. The minutes of Investment Panel meetings form part of the main committee agenda.</p> <p>Every member of the Investment Panel is a member of the main committee.</p>  |
| <p><b>B – Representation</b></p>   | <p><b>Partial Compliance</b></p>  |
| <p>a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <p>i) employing authorities (including non-scheme employers , e.g. admission bodies);</p> <p>ii) scheme members (including deferred and pensioner scheme members);</p> | <p>There are 9 voting members representing the employer bodies and 1 non-voting member representing the Parish /Town Councils. Admission Bodies are not formally represented within the committee structure it is difficult from a purely practical perspective to have meaningful representation from such a diverse group of employers. The appointment of independent members was, in part, to provide representation on the committee independent of all the employing bodies. All employing bodies are included in all consultation exercises that the Fund undertakes with its stakeholders.</p> <p>There are arrangements in place for the public, including employing bodies and members of the Avon Pension Fund to make representations to the committee at the committee meetings.</p> <p>There are 4 trades union representatives (1 with voting rights and 3 non-voting), nominated by the individual trades unions on the committee. These committee members also represent the deferred and pensioner members.</p> |

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| <p>iii) where appropriate, independent professional observers;</p> <p>iv) expert advisors.</p> <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>The Fund has not appointed an independent professional observer. The committee has procedures in place to monitor and control risk and there is significant external oversight of the Fund, committee and decision-making process. The Fund has an external Independent Investment Advisor who attends all committee and panel meetings and ensures relevant information and advice is provided to the Committee. Furthermore, two members are appointed to the committee independent of the administering authority and other stakeholders to strengthen the independence of the governance process. Lastly the pension fund and its governance processes are scrutinised annually by the external audit.</p> <p>The Fund's independent investment advisor attends all meetings. The Fund's investment consultant attends all committee and panel meetings and other expert advisors attend on an adhoc basis when appropriate.</p> <p>All members of the committee are treated equally in terms of access to papers, meetings and training. Although some members do not have voting rights, they are given full opportunity to undertake training and contribute to the decision making process.</p> |
| <p><b>C – Selection and role of lay members</b></p>  | <p><b>Compliant</b></p>  |
| <p>a) That the 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.</p> <p>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.</p>                  | <p>The Fund has separate job descriptions for the voting and non-voting members, which set out the role and responsibilities for each position within the committee. These are circulated to the relevant bodies prior to members being appointed to the committee.</p> <p>Declarations of interest is a standing item on every committee agenda.</p>  |

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| <b>D – Voting</b>   | <b>Compliant</b>  |
| a) The policy of individual administering authorities on voting rights is clear and transparent, including justification for not extending voting rights to each body or group on main LGPS committees.   | The Fund has a clear policy on voting rights and has extended the voting franchise to non-administering authority employers and scheme member representatives.  |
| <b>E – Training/Facility time/ Expenses</b>   | <b>Compliant</b>  |
| 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. | The Fund has a clear policy on training and maintains a training log. The costs of approved external training courses are paid by the Fund for all members. All members are invited to workshops organised by the Fund. Expenses are paid in line with the allowances scheme for each employer/stakeholder. |
| 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.  | See above.  |
| c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training.   | The Fund requires new members without prior experience of the Local Government Pension Scheme to attend a customised training course. A formal training plan is not set on an annual basis as it is responsive to the needs of the committee agenda. A training log is maintained.                          |
| <b>F – Meetings (frequency/quorum)</b>  | <b>Compliant</b>  |
| a) That an administering authority's main committee or committees meet at least quarterly.  | The committee meetings are held quarterly.  |
| 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.   | The Investment Panel meets at least quarterly, synchronised to occur ahead of the main committee meetings.  |

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| c) That administering authorities who does 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.                                    | Lay members are included in the formal arrangements.  |
| <b>G – Access</b>   | <b>Compliant</b>  |
| a) That subject to any rules in the council's constitution, all members of main and secondary committees or panels has equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.                | All members of the committee have equal access to meeting papers and advice.  |
| <b>H - Scope</b>  | <b>Compliant</b>  |
| a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.  | The terms of reference include all aspects of benefits administration and admissions to the Fund.   |
| <b>I – Publicity</b>  | <b>Compliant</b>  |
| 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. | All statutory documents including the Governance Compliance Statement are made available to the public via the Avon Pension Fund's website or are available on request from the Investments Manager. A summary of the governance compliance statement is included in the Annual Report. |

***Approved by Avon Pension Fund Committee on 21 June 2013***