

## Bath & North East Somerset Council

MEETING:	<b>LOCAL PENSION BOARD - AVON PENSION FUND</b>	
MEETING DATE:	<b>9 June 2022</b>	<b>AGENDA ITEM NUMBER</b>
TITLE:	<b>GOOD GOVERNANCE REVIEW &amp; FUND GOVERNANCE FRAMEWORK</b>	
WARD:	ALL	
<b>AN OPEN PUBLIC ITEM</b>		
List of attachments to this report: Appendix 1 – Annual review of Pension Board Governance Appendix 2 – Pension Board’s Terms of Reference Appendix 3 – Scheme of Delegation – Schedule Appendix 4 – Scheme of Delegation – Authorisations Appendix 5 – Draft Terms of Reference for APF Committee & Investment Panel Appendix 6 – Governance Compliance Statement Appendix 7 – Draft Conflicts of Interest Policy Appendix 8 – Draft Training Strategy Policy Appendix 9 – Draft Representation Policy Appendix 10 – Decision Making Matrix Appendix 11 – Gap analysis		

### **1 THE ISSUE**

- 1.1 This report sets out a summary of the annual review of the governance arrangements for the Pension Board.
- 1.2 It also provides an overview of the annual governance review undertaken by Committee in June.

### **2 RECOMMENDATIONS**

- 2.1 That the Board notes the report

### **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial considerations as this report is for information only.

### **4 PENSION BOARD ANNUAL GOVERNANCE REVIEW**

- 4.1 The annual review of governance arrangements for the Pension Board was undertaken and a summary of the findings is set out in appendix 1
- 4.2 The current terms of reference for the Pension Board are attached as appendix 2

### **5 APF COMMITTEE ANNUAL GOVERNANCE REVIEW**

- 5.1 Annually in June the Avon Pension Fund Committee review its governance arrangements as follows:

- 5.2 Members are reminded of the roles and responsibilities of members, advisors and officers of the Avon Pension Fund and the governance framework for the Fund as a whole.
- 1.1 Approve the Scheme of Delegation (Appendix 3 & 4) which sets out how the Committee delegates some of its responsibilities to Officers. The Schedule details the responsibilities delegated, and the authorisation list sets out who is authorised and the limit of transaction they can authorise.
- 5.3 Approve the draft Terms of Reference for the Committee and Investment Panel set out in Appendix 5.
- 5.4 Approve the Governance Compliance Statement set out in Appendix 6.
- 5.5 Invites members to nominate themselves to the Investment Panel. The term of appointment to the Panel is for a full 4-year term.
- 5.6 Members are invited to nominate themselves as the Fund's representative on the Local Authority Pension Fund Forum.
- 5.7 Members are requested to give delegated powers to Officers and the Chair to draft the Annual Report to Council on Committee activity in the past twelve months.
- 5.8 It should be noted that appendices 3 & 6 are the documents approved in 2021 as the amended versions for the June committee were not finalised in time for this meeting.
- 5.9 Following recommendations from the SAB's Good Governance Review and gap analysis conducted by Hymans Robertson (see Appendix 11) a draft Conflicts of interest policy (appendix 7), Training Strategy Policy (Appendix 8), Representation Policy (Appendix 9 which will be an appendix to the Governance Compliance Statement) and a decision making matrix (Appendix 10) have been drafted for the Committee's approval in June.

## **6 RISK MANAGEMENT**

- 6.1 An effective governance structure, defining clear responsibilities, and ensuring that the decision making body has an adequate level of knowledge and access to expert advice, is a key aspect of the risk management process.

## **7 EQUALITIES STATEMENT**

- 7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

## **8 CLIMATE CHANGE**

- 8.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee

## **9 OTHER OPTIONS CONSIDERED**

- 9.1 None

## **10 CONSULTATION**

10.1 The Council's Monitoring Officer and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication

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<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	