

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	6 September 2023	AGENDA ITEM NUMBER
TITLE:	Annual Governance Review	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
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 – Terms of Reference for APF Committee & Investment Panel Appendix 6 – Governance Compliance Statement Appendix 6a – Representation Policy Appendix 7 – Training Strategy Policy Appendix 8 – Decision Making Matrix		

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

Appendix	Appendix Name	Detail of changes
3	Scheme of Delegation – Schedule	No material change
4	Scheme of Delegation – Authorisations	No material change
5	Terms of Reference for APF Committee & Investment Panel	Change set out in para 5.5
6	Governance Compliance Statement	No material change
6a	Representation Policy	No material change
7	Training Strategy Policy	Change set out in para 5.7
8	Decision Making Matrix	No material change

5.3 Members were 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.

5.4 Approved 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.

5.5 Approved the draft Terms of Reference for the Committee and Investment Panel set out in Appendix 5. The quorum of the Committee was updated to read '*The quorum shall be 5 voting members who shall include at least one member not from Bath & North East Somerset Council*'. This is to ensure that any decision taken is not just by Banes. The revised TOR was approved by Council in July.

5.6 Approved the Governance Compliance Statement and Representation Policy set out in Appendix 6 & 6a.

5.7 Approved the amendmend to the training policy. Committee members have agreed to undergo Hyman's LGPS Online Learning Academy modules within a year of when they are appointed to the Committee and every three years thereafter. Pension Board members have agreed to study the modules each year.

5.8 Noted the Decision Making Matrix.

5.9 Agreed independent member representation of the Brunel Working Group.

5.10 Agreed substitute of Brunel Oversight Board.

5.11 Members were invited to nominate themselves as the Fund's representative on the Local Authority Pension Fund Forum.

5.12 Members were 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.

6 RISK MANAGEMENT

- 6.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

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 Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Service Director – One West representing the administering authority.

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Background papers	None
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