

Bath & North East Somerset Council

MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND		
MEETING DATE:	4 September 2024	AGENDA ITEM NUMBER	3
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 – Conflicts of Interest Policy Appendix 8 – Decision Making Matrix Appendix 9 – Policy on Under & Over Payments			

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 updated terms of reference for the Pension Board are attached as appendix 2. A couple of minor changes have been made to reflect name changes.

5 APF COMMITTEE ANNUAL GOVERNANCE REVIEW

- 5.1 Annually in June the Avon Pension Fund Committee review its governance arrangements. The table below sets out a summary of the review with more detail set out below the table:

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 5.4
6	Governance Compliance Statement	No material change
6a	Representation Policy	No material change
7	Conflicts of Interest Policy	Change set out in para 5.5
8	Decision Making Matrix	No change to decisions but matrix simplified
9	Under & Over Payments Policy	New – see para 5.6

5.3 Scheme of Delegation - following recommendations in a recent internal audit a number of minor changes to the schedule and authorisation lists have been made to clarify roles, responsibilities and processes.

5.4 Pension Committee's Terms of Reference – a change has been made to reflect decisions regarding the Local Impact Portfolio Framework being delegated to The Head of Pensions in conjunction with the working group. The formal decision will be taken by the Head of Pensions as an Officer Decision Report via the normal democratic reporting processes within Bath and North East Somerset Council. The revised Terms of Reference was approved by Council in June.

5.5 Conflicts of Interest Policy - a couple of changes have been made to the Pooling section to reflect the current voting arrangements for Brunel. The wording originally stated decisions required a unanimous vote, this has been updated to reflect a majority vote.

5.6 Under & Over Payments Policy – The Committee approved the policy in March 2024. The Fund identified the need to put in place a clear policy to establish the principles of rectification for members where there has been either an overpayment or underpayment of pension benefits.

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 Director of Financial Services, Assurance & Pensions representing the administering authority.

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Background papers	None
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