

ROYAL BOROUGH OF KINGSTON UPON THAMES

GOVERNANCE COMPLIANCE STATEMENT AS REQUIRED BY REGULATION 73A

1. SUMMARY

This Statement has been prepared in accordance with Regulation 73A of the Local Government Pension Scheme Regulations 1997 (the LGPS Regulations). The Statement describes the governance structures of the Royal Borough of Kingston upon Thames (the Council) and the arrangements it has made in its capacity as administering authority of the Royal Borough of Kingston upon Thames Pension Fund (the Fund).

2. PURPOSE

The main purpose of this Statement is to establish whether the administering authority delegate their function, or part of their function, in relation to maintaining the Fund to a committee, a sub-committee or an officer of the administering authority; and if they do delegate that function or part of that function:

- i) to state the terms, structure and operational procedures of the delegation; and
- ii) to state the frequency of any committee or sub-committee meetings; and
- iii) to state whether the committee or sub-committee includes representatives of employing authorities (including non-Scheme employers) or members, and if so, whether those representatives have voting rights.

The Statement details how any delegation, or the absence of a delegation, currently complies with each of the best practice principles in the guidance published by the Communities and Local Government Department (CLG), and gives the reasons for any non-compliance.

The nine principles are listed below:

- A. Structure
- B. Representation
- C. Selection and role of lay members
- D. Voting
- E. Training/Facility Time/Expenses
- F. Meetings (Frequency/Quorum)
- G. Access
- H. Scope
- I. Publicity.

3. TERMS, STRUCTURE AND OPERATIONAL PROCEDURES OF DELEGATION

These are as detailed in the Council's Governance Policy which is appended to this Statement.

4. COMPLIANCE WITH THE DRAFT GUIDANCE ISSUED BY THE CLG

A Structure

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.

Compliant - The Council Constitution clearly sets out that responsibility for the management of the Pension Fund resides with Pension Fund Panel..

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.

Partially Compliant – Representatives of participating LGPS employers, staff scheme members and retired staff are observer members of the Pension Fund Panel. Admitted bodies and deferred members are not represented.

c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.

The Council does not have a secondary committee or panel.

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.

The Council does not have a secondary committee or panel.

B Representation

a) That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. These include:-

- i) employing authorities (including non-scheme employers, eg, admitted bodies);**
- ii) scheme members (including deferred and pensioner scheme members),**
- iii) independent professional observers, and**
- iv) expert advisors (on an ad-hoc basis).**

Partially Compliant – Representatives of participating LGPS employers, staff scheme members and retired staff are observer members of the Pension Fund Panel. The Panel's independent professional advisor is in attendance at Panel meetings.

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.

Compliant – Committee papers with dates of meetings are sent to all lay members of the Panel and all who attend the meetings may contribute to the decision making process. All training is offered to non-voting observer members of the Panel as well as elected councillors.

C Selection and role of lay members

a) That 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.

Compliant – All members are aware of their roles and responsibilities as members of the Pension Fund Panel.

D Voting

a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.

Partially Compliant – There are six elected councillors who sit on the Panel, three Administration Members and three Opposition Members, all of whom have voting rights. Representatives of staff members and scheduled bodies are allowed to voice opinions but have no voting rights

E Training/Facility Time/Expenses

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.

Partially Compliant – Training is provided to members of the Pension Fund Panel to assist them in the decision making process. Meetings usually take place in the evenings and other than the very few cases where dependency allowances are claimed councillors are not able to claim allowances in relation to evening meetings.

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.

Compliant – The policy above applies to all members of the Panel.

F Meetings (Frequency/Quorum)

a) That an administering authority's main committee or committees meet at least quarterly.

Compliant – The Pension Fund Panel meets 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 Council does not have a secondary committee or panel.

c) That administering authorities who do 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 governance arrangements.

G Access

a) That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.

Compliant – Committee papers and documents are sent to all members of the Pension Fund Panel prior to each meeting and advice is given at the meetings to all attendees.

H Scope

a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements

Compliant – The Pension Fund Panel considers a wide range of Pension Fund issues outside of investment. The Panel's independent advisor provides a 'Hot Topics' session at each meeting.

I Publicity

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.

Partially Compliant – This Statement and the Governance Policy will be published on the Council's Intranet site. All members of the Fund are provided with a copy of the Pension Fund Annual Report and invited to an annual meeting where they may raise any issues.

APPENDIX TO GOVERNANCE COMPLIANCE STATEMENT

STATEMENT OF GOVERNANCE POLICY AS REQUIRED BY REGULATION 106B

Delegation and the Council's Constitution

(From PART 3 - RESPONSIBILITY FOR FUNCTIONS)

Part 3 of the Council's Constitution sets out which part of the Council is responsible for which of the Council's functions. The Scheme of Delegation to officers is also set out at the end of Part 3.

COUNCIL

The Council itself is responsible for the exercise of all those functions set out in paragraph 4.02 of article 4 of the Constitution.

EXECUTIVE

The Council's Executive is responsible for all those functions of the Council other than those that have been reserved to the full Council (as set out in Article 4.02) or have been delegated to other bodies, as set out in their responsibilities.

The Executive will operate within the overall policy framework established by the Council and present strategy proposals to the Council for approval and take subsequent action as necessary.

The Executive will determine the number and size of portfolios that each Member will hold. It will be able to establish such Working Groups to examine and report back on particular issues as may be appropriate.

The Executive will meet in public but with the ability to exclude the press and public from meetings where exempt or confidential information, as defined by the Access to Information legislation, is being discussed. The Council's Alternate Member system will not apply to the Executive.

(From Part 3A Responsibility for functions – Page 3)

Pension Fund Panel (Five Members of the Council and four observer Members)
Functions
To consider reports from the Fund Manager(s) on investment strategy, fund performance, investment transactions and related matters and to give instructions to the Fund Manager(s) as necessary from time to time.

The Pension Fund panel meets quarterly. Its remit includes the formal triennial review of fund manager performance and the re-selection of fund managers if required.

PENSION FUND PANEL				
	Member	ALTERNATES		
		1	2	3
LD	Rolson Davies	Simon James	Rob Lee	Vicki Harris
LD	Barry O'Mahony (Vice-Chair)	Bart Ricketts	Bob Steed	Kevin O'Connor
LD	Derek Osbourne (Chair)	Shiraz Mirza	Yogan Yoganathan	Rachel Reid
CON	Frank Thompson	Howard Jones	Ken Smith	Richard Hudson
CON	James White	David Cunningham	Adrian Holder	David Edwards
NON-VOTING OBSERVER MEMBERS:				
KINGSTON COLLEGE REP				
	Dennis Spratling	Peter Gray	Louise Ayling	
KINGSTON UNIVERSITY REP				
	Robert Ewing			
RBK STAFF REPRESENTATIVE				
	Majid Mafi	Richard Jessett		
ASSOCIATION OF RETIRED COUNCIL OFFICERS (ARCO)				
	Chris Coke			

The Scheme of Delegations sets out those powers that have been delegated to individual Executive Members and to officers of the Council.

Part 3B Scheme of Delegation (Page 4 of the Constitution)

Officer Delegations – Finance

PENSIONS

1. INVESTMENT

To review investments at three monthly intervals between meetings of the Pension Fund Panel.

2. PENSION REGULATIONS

a) With the Chief Executive, Assistant Director Treasury Services and Head of Service responsible for Human Resources, act for the administering authority in respect of the payment of death grants. Two signatures are required authorising payment.

b) Deciding on applications from outside employers to become admission bodies to the Pension Fund, after consultation with the Head of Service responsible for legal matters.

c) In consultation with the Head of Service responsible for Human Resources, deciding on applications for reinstatement of widow/er's pensions.