

Governance Best Practice - Compliance Statement

Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires an administering authority to prepare a written statement setting out the extent to which a delegation of its functions to a committee, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying. In addition, A3 of the Scheme Advisory Board Good Governance Review recommends Local Government Pension Scheme Administering Authorities to measure their governance arrangements against any standards set out in the Statutory Guidance issued by the, then, Secretary of State for Communities and Local Government or (now) by the Secretary of State for Levelling Up, Housing and Communities. The Committee is expected to review the Governance Best Practice Compliance Statement annually and must consult such persons as it considers appropriate when preparing or revising the statement. The following compliance statement sets out where the Pension Fund is fully compliant with current guidance and, where it is not fully compliant, provides an explanation.

| Principal A - Structure | London Borough of Croydon Pension Fund Compliance |
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| 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. | Fully Compliant The Council Constitution delegates responsibility for the Pension Fund to the Pension Committee in respect of these matters. |
| b. That representatives of participating LGPS employers, admitted bodies and Scheme members (including pensioners and deferred members) are members of either the main or secondary committee to underpin the work of the main committee. | Partially Compliant Pensioner and Union representatives are appointed to the Pension Committee. Although the Committee does not currently have representatives of participating employers, proposed changes to the Constitution will create a new employer representative position on the Committee. |
| c. That where a secondary committee or panel has been established, the structure ensures effective communication across both levels. | Not applicable – the Fund does not have a secondary committee. |
| 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. | Not applicable – the Fund does not have a secondary committee. |

| Principle B – Committee Membership and Representation | London Borough of Croydon Pension Fund Compliance |
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| <p>a. That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:-</p> <ul style="list-style-type: none"> i) Employing authorities (including non-scheme employers, eg admitted bodies); ii) Scheme members (including deferred and pensioner scheme members); iii) Where appropriate, independent professional observers; and iv) Expert advisers (on an ad-hoc basis). | <ul style="list-style-type: none"> i) Partially Compliant The Committee includes eight Councillors. At present there is no admitted body representative but provision is being made for such a position in the proposed constitutional amendments. ii) Fully Compliant The Committee includes 2 pensioners' representatives and one trade union representative. iii) Non Compliant The Committee does not have an independent professional observer. However the Chair of the Pension Board is often invited to comment at meetings. iv) Fully Compliant The Fund has an Investment Advisor, Actuary and Governance and Legal Advisers. |
| <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>Fully Compliant All members of the Committee have access to papers ahead of meetings, are invited to training and are able to contribute fully to the decision-making process.</p> |

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| Principle C - Selection and role of lay members | London Borough of Croydon Pension Fund Compliance |
| 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 | Fully Compliant See the Governance Policy; training sessions specifically cover these points |
| 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. | Fully Compliant Members of the Committee declare interests as appropriate at the start of each meeting. |

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| Principle D – Voting | London Borough of Croydon Pension Fund Compliance |
| a. The policy of individual administering authority 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. | Fully Compliant Voting rights are covered under the constitution. A recent report to committee explained the rationale for extending voting rights or not to various positions on the Committee. |

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| Principle E - Training/Facility time/Expenses | London Borough of Croydon Pension Fund Compliance |
| 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 | Fully Compliant. The Fund puts in place and regularly reviews a Fund Knowledge and Skills / Training Policy. Expenses are part of the Council Constitution and are covered by that |
| 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 | Fully Compliant The Policy applies equally to the Pension Committee, Pension Board and senior officers involved in the administration of the Fund |
| c. That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken. | Fully Compliant The Council seeks to ensure that all members of the Committee are aware of the eight areas of knowledge and skills relating to the LGPS which CIPFA has identified as being the |

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| | core technical requirements for those involved in decision taking by way of the Knowledge and Skills Policy that is in place and the adoption of annual training plans. They are advised of training opportunities and a log is maintained of all training completed. Regular reports are made to Committee of training undertaken by members and details are included in the Fund Annual Report. |
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| Principle F - Meetings (frequency/quorum) | London Borough of Croydon Pension Fund Compliance |
| a. That an administering authority's main committee or committees meet at least quarterly | Fully Compliant |
| 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. | Not applicable – the Fund does not have a secondary committee. |
| c. That an administering authority that does not include lay members in their formal governance arrangements must provide a forum outside of those arrangements by which the interest of key stakeholders can be represented. | Fully Compliant This is achieved through representation on the Pension Committee or via the Pension Board. |

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| Principle G - Access | London Borough of Croydon Pension Fund Compliance |
| a. That subject to any rules in the Council's 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 | Fully Compliant Hard copies of meeting papers are generally dispatched to those members requiring them 5 clear working days prior to each meeting. All meeting papers are published on the website 5 clear working days prior to each meeting. Democratic Services produce, circulate for agreement and publish draft minutes shortly after meetings. |

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| Principle H - Scope | London Borough of Croydon Pension Fund Compliance |
| a. That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements. | Fully Compliant The Committee reviews all aspects of the Pension Fund management. |

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| Principle I - Publicity | London Borough of Croydon Pension Fund Compliance |
| a. That administering authority 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 | Fully Compliant Governance Policy and Compliance statement is published in full on the Pensions website https://croydonpensionscheme.org/ |

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June 2023

To be reviewed in June 2024