

Governance Compliance Statement

The requirement to publish a governance compliance statement was introduced by Regulation 73A of The Local Government Pension Scheme Regulations 1997 (as amended) on 30th June 2007, carried forward into the Local Government Pension Scheme (Administration) Regulations 2008 by Regulation 31 on 1st April 2008 and, since 1st April 2014, it rests in Regulation 55 of the Local Government Pension Scheme Regulations 2013. The legislation is complemented by statutory guidance issued by MHCLG in November 2008, which informs the structure of this statement.

Under regulation 55, all administering authorities in England and Wales must prepare a written statement setting out:

- Whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority;
- If the authority does so;
 - the terms, structure and operational procedures of the delegation,
 - the frequency of any committee or sub-committee meetings,
 - whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;
- the extent to which a delegation, 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; and
- details of the terms, structure and operational procedures relating to the local pension board established under regulation 106 (local pension boards: establishment).

(2) An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph.

(3) Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate.

(4) An administering authority must publish its statement under this regulation, and any revised statement.

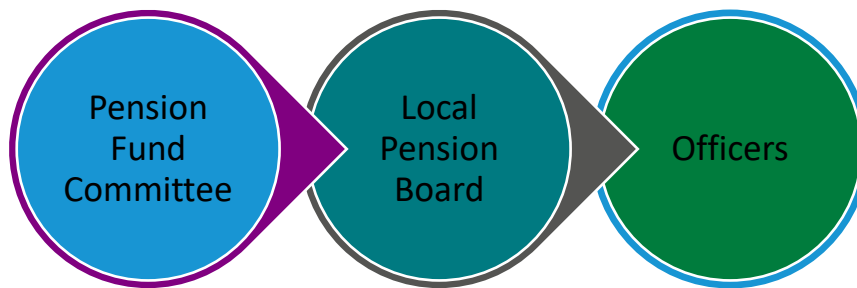
It is important to note that elements of the 2008 Statutory Guidance have been superseded by the Public Sector Pension Schemes Act 2013.

PART II - THE PRINCIPLES

The Structure

Surrey County Council is both an Administering Authority and an employing authority under the scheme regulations, and each function is entirely separate. The Pension Fund Committee is the scheme manager for the administering authority under regulation 5(7) of the Public Sector Pension Scheme Regulations 2013.

The Pension Fund Committee is assisted by Surrey Local Pension Board which is set up under regulation 7 of the Public Sector Pension Schemes Act 2013 and performs an advisory role.



The statement

A - Structure

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| <p>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.</p> | <p>Surrey County Council is an administering authority for the Local Government Pension Scheme (LGPS) and has established a Pension Fund Committee (PFC – formerly known as Surrey Pension Fund Board) with responsibility for the governance and administration of the Pension Fund.</p> <p>The PFC undertakes statutory functions on behalf of the LGPS and ensures compliance with legislation and best practice. It determines policy for the investment, funding and administration of the pension fund and monitors administration performance and service delivery.</p> <p>The PFC appoints and monitors all relevant external service providers including:</p> <ul style="list-style-type: none"> • fund managers, • custodians, • corporate advisors, • independent advisors, • actuaries, • governance advisors and • all other professional services associated with the pension fund. |
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| <p>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.</p> | <p>The Pension Fund Committee consists of 10 members;</p> <p>6 County Councillors</p> <p>2 District/Borough Councillors</p> <p>1 Employer representative</p> <p>1 Employee representative (an active, deferred or pensioner member).</p> |
| <p>c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.</p> | <p>The Local Pension Board (LPB) assists the Pension Fund Committee and it consists of 8 members;</p> <p>2 County Councillors,</p> <p>2 other employer representatives that come from nominations from other employers in the fund (e.g. District, Borough and Parish Councils, Academies, Police and other scheduled or admitted body employers in the Surrey Pension Fund),</p> <p>1 x GMB nominated representative,</p> <p>1 x Unison nominated representative and</p> <p>2 other member's representatives.</p> <p>There is an excellent working relationship and effective communication between the two bodies.</p> |
| <p>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.</p> | <p>The Local Pension Board reports are available to all Committee members and the Chairman of the Local Board presents a summary of the meeting to the Pension Fund Committee.</p> |
| <p>B - Representation</p> | |

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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, e.g., admitted bodies); ii) scheme members (including deferred and pensioner scheme members), iii) where appropriate, independent professional observers, and iv) expert advisors (on an ad-hoc basis). | <p>All the non-political/non-trades union seats on both bodies are widely advertised by e-mail, newsletters and on the website and appointments flow from an open competition.</p> <p>All employers, whether they be schedule 2 part 1, part 2, part 3 or part 4 can nominate employer representatives for either body, but the appointment will be made solely on the basis of merit.</p> <p>Active, deferred and pensioner members can compete for the member seats on either board on an equal footing.</p> <p>The PFC appoints a range of contracted professional advisors (see A[a] above) supplemented by ad hoc specialist advisors as required.</p> <p>All the members of both bodies have equal access to papers and resources.</p> |
| <p>C - Selection and Role of Lay members</p> | |

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| <p>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.</p> | <p>Officers ensure that those on the Committee/Board have the appropriate skills and knowledge.</p> <p>The Fund has a comprehensive training plan ensuring that Committee/Board members are properly and effectively trained.</p> <p>The effectiveness of the Board is monitored, improvements are made where necessary and risk assessments are undertaken on a regular basis. There is a special requirement for board members to demonstrate knowledge and capacity.</p> |
| <p>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</p> | <p>Members of both bodies are invited to declare any financial, pecuniary or conflict of interest relating to any of the matters on the agenda at the beginning of each meeting.</p> |
| <p>D - Voting</p> | |
| <p>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.</p> | <p>All the members of the Pension Fund Committee and the Local Pension Board have equal voting rights on their respective bodies, except the independent Chair of the Local Pension Board.</p> |
| <p>E - Training, facility time and expenses</p> | |

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| <p>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.</p> | <p>Surrey County Council has a Members' Allowances Scheme policy and elected members' reasonable expenses are paid and the Chairs of the PFC and the LPB receive special responsibility allowances weighted to the demands of their roles.</p> |
| <p>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.</p> | <p>Although there is not a formal policy on lay members reasonable additional expenses, for example attending external training, they would be reimbursed.</p> |
| <p>c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.</p> | <p>Surrey Pension Fund has a comprehensive training plan and it designs, monitors and finances the members' training.</p> |
| <p>F – Meetings, frequency and quorum</p> | |
| <p>a) That an administering authority's main committee or committees meet at least quarterly.</p> | <p>The Pension Fund Committee meets (at least) quarterly.</p> |
| <p>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.</p> | <p>The Local Pension Board meets quarterly, and its meeting precedes the Pension Fund Committee's.</p> |
| <p>c) That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented</p> | <p>Surrey Pension Fund's governance arrangements are fully inclusive.</p> |

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| G - Access | |
| 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. | Every member of both bodies is provided with all the papers by encrypted e-mail, unless their e-mail account is on the host authority's server. Special arrangements are made for any members without an e-mail account or with specific disabilities. |
| H - Scope | |
| a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements | <p>The PFC and the LPB oversee all aspects of management and administration. This includes monitoring and analysing pension administration performance, approving the Administering Authority's discretions, its Administration Strategy and a raft of other policies.</p> <p>Both the PFC and the LPB are closely engaged with Environment and Social Governance (ESG), Task Force on Climate-related Financial Disclosure (TFCD) and Sustainable Development Goals (SDG) issues.</p> |
| 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. | <p>All of Surrey Pension Fund's statutory and optional governance policies are published on our website and are replicated in part in this document.</p> <p>The Pension Fund sends regular newsletters, bulletins and updates to all of its stakeholders.</p> |