



North East Scotland Pension Fund
nespf

Governance Compliance Statement

January 2019

Contents

Introduction	3
Principle A - Structure	3
Principle B – Committee Membership and Representation	4
Principle C – Voting	5
Principle D – Training/Facility Time/Expenses	5
Principle E – Meetings (frequency/quorum)	6
Principle F - Access	7
Principle G - Scope	7
Principle H - Publicity	7
Further Information	8

Document	Governance Compliance Statement
Review Date	22/01/2019
Approval Date	15/03/2019
Author & Team	M Suttie, Governance
Review Date	January 2020

Introduction

The Local Government Pension Scheme (Scotland) Regulations 2018 (regulation 53) require the administering authority to prepare a governance compliance statement. This statement should be read in conjunction with the North East Scotland Pension Fund Governance Policy and Terms of Reference.

Principle A - Structure

Guiding Principle	Fully Compliant
i. The management of the administration of benefits and strategic management of Fund assets clearly rests with the main committee established by the appointing council.	✓
ii. That employer 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.	Partial*
iii. That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	✓
iv. 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.	✓

Principle A ii) – Partial Compliance:

Aberdeen City Council, as the administering authority, has delegated responsibility for the administration of benefits and strategic management of Fund assets for the North East Scotland Pension Fund (NESPF) to the Pensions Committee.

The Pensions Committee comprises 9 elected members from Aberdeen City Council (ACC).

Non local authority employers and scheme members are represented on the NESPF Pension Board which comprises 4 employer and 4 member representatives. As such, it could be seen to fulfil the role of the secondary committee or panel. The Pension Board meets at the exact same time and place as the Pensions Committee to ensure adequate oversight, scrutiny, and challenge.

Information is provided quarterly to scheme employers through the Pension Fund ‘Employer Briefing’ and to employees through the Pension Fund website, with ad hoc ‘Employee Briefing’s’ being issued to communicate major scheme changes. Finance and Administration Forums are held annually by which the interests of key stakeholders can be represented.

Principle B – Committee Membership and Representation

Guiding Principle	Fully Compliant
<p>i. That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure.</p> <p>These include:-</p> <ul style="list-style-type: none"> • Employing authorities (including non-scheme employers e.g. admitted bodies) • Scheme members (including deferred and pensioner scheme members) • Where appropriate, independent professional observers, and • Expert advisors (on an ad-hoc basis) 	<p>Partial*</p>
<p>ii. 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>✓</p>

Principle B i) – Partial Compliance:

See answer to A ii) above.

The Pension Board consists of representatives from the 3 main Fund employers and 1 from the others/admitted bodies.

Active, deferred and pensioner members are represented on the Board by 4 member (Trade Union) representatives.

Support for the Pensions Committee and Pension Board is provided by a number of external advisors including the scheme actuary, investment managers, global custodian and a performance management company.

All members of the Pensions Committee and Pension Board are treated equally in terms of access to papers, meetings and training. Scheme documentation is available at www.nespf.org.uk, with all members having access to a secure online area of the website. Training for both Committee and Board members is ongoing as per the Training Policy.




Principle C – Voting

Guiding Principle	Fully Compliant
i. 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.	

Principle C – Fully Compliant

Elected members of the Pensions Committee have equal voting rights. Information on voting is provided quarterly to Committee and available to the public on the NESPF website.

Principal D – Training/Facility Time/Expenses

Guiding Principle	Fully Compliant
i. 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.	
ii. 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.	
iii. That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	

Principle D – Fully Compliant

The Fund has a clear training policy which is provided to members and a copy is available on the NESPF website (www.nespf.org.uk).

All training costs are met directly by the Pension Fund.

The Fund's training policy applies equally to members of the Pensions Committee and Pension Board and the policy is reviewed annually.

A report is presented to the Pensions Committee on an annual basis detailing all training provided in the previous year and which seminars and conferences were attended by each member.

Principal E – Meetings (frequency/quorum)

Guiding Principle	Fully Compliant
i. That an administering authority's main committee or committees meet at least quarterly.	✓
ii. 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.	✓
iii. 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.	✓

Principle E – Fully Compliant

The Pensions Committee meet quarterly, with additional meetings arranged for specific items of business as required.

Pension Board meetings are held concurrently with the Pensions Committee meeting. The Pension Board also meet separately at least once per annum to consider their Annual Report.

The Pension Fund holds annual Finance and Administration Forums where the interests of key stakeholders are represented.

Principal F - Access

Guiding Principle	Fully Compliant
i. That subject to any rules in the council's constitution, all members of the 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.	✓

Principle F – Fully Compliant

All members of the Pensions Committee and Pension Board have equal access to meeting papers and advice. Copies of the Committee packs are available through the NESPF website and copies of the subsequent meeting minutes are available through the ACC website.

Principle G - Scope

Guiding Principle	Fully Compliant
i. That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	✓

Principle G – Fully Compliant

The Pensions Committee Terms of Reference include all aspect of benefit administration and investment management. These were reviewed and approved by full Council on 5th March 2018.

Principle H - Publicity

Guiding Principle	Fully Compliant
i. 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 part of those arrangements.	✓

Principle H – Fully Compliant

All statutory documents including the Governance Compliance Statement are made available to the public on the North East Scotland Pension Fund’s website or are available on request from the Fund. A summary of the Governance Compliance Statement is also included in the Pension Fund Annual Report. The appointment process for members of the Pension Board is also published online.

Further Information

If you have any questions relating to this Statement please contact the **Governance Team**:

NESPF
Level 1, 2MSq
Marischal Square
Broad Street
Aberdeen
AB10 1BL

Email: governance@nespf.org.uk
Web: www.nespf.org.uk