

**REPORT TO: SUPERANNUATION INVESTMENT SUB-COMMITTEE
OF THE POLICY AND RESOURCES COMMITTEE - 29 AUGUST 2011**

REPORT ON: GOVERNANCE COMPLIANCE STATEMENT

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 401-2011

1 PURPOSE OF REPORT

This report seeks approval for a Governance Compliance Statement for Tayside Superannuation Funds.

2 RECOMMENDATIONS

The Sub-Committee are asked to approve the Governance Compliance Statement shown at Appendix 1.

3 FINANCIAL IMPLICATIONS

There are no financial implications.

4 INTRODUCTION

In May 2009, the Sub-Committee approved a Governance Policy Statement documenting the governance arrangements for the pension schemes administered by Dundee City Council. Regulation 27 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 now requires administering authorities to prepare and publish a written statement setting out the terms of their current governance arrangements, incorporating guidance provided by Scottish Ministers.

5 OVERVIEW

Dundee City Council is fully compliant with all principles except those relating to external representation on the Superannuation Investment Sub-Committee.

6 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7 CONSULTATIONS

The Chief Executive and Depute Chief Executive (Support Services) have been consulted on the content of this report.

8 **BACKGROUND PAPERS**

None

**MARJORY M STEWART
DIRECTOR OF FINANCE**

22 AUGUST 2011

GOVERNANCE COMPLIANCE STATEMENT

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Structure			
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Principal responsibility for the administration of benefits and strategic management of fund assets rests with the Policy & Resources Committee.	Yes	The Superannuation Investment Sub-Committee of the Policy & Resources Committee has a remit to supervise and control the operations and investments.
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.	Membership of the Superannuation Investment Sub-Committee includes 3 observer members who represent scheme members.	Partial	Representatives are consulted and included in all communications relating to the Superannuation Investment Sub-Committee.
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Minutes of the Superannuation Investment Sub-Committee are reported to the Policy & Resources Committee.	Yes	
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.	All members of the Superannuation Investment Sub-Committee are members of the Policy & Resources Committee.	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Representation			
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:-</p> <p>i) employing authorities (including non-scheme employers, e.g. admitted bodies);</p> <p>ii) scheme members (including deferred and pensioner scheme members);</p> <p>iii) where appropriate independent professional observers; and</p> <p>iv) expert advisors (on an ad-hoc basis)</p>	<p>Membership of the Superannuation Investment Sub-Committee includes 3 observer members who represent scheme members.</p> <p>Investment Consultant</p>	<p>No</p> <p>Yes</p> <p>No</p> <p>Yes</p>	<p>Regular communication is undertaken with key stakeholders. Employer Forum held annually for scheduled and admitted bodies.</p> <p>No requirement for this has been identified.</p>
<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings and training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>All members receive the same access to all papers and training opportunities and are given the opportunity to contribute to the decision making process.</p>	<p>Yes</p>	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Selection and Role of Lay Members			
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.	Induction and Refresher Training is provided to all members.	Yes	
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	Members are bound by a Code of Conduct which requires them to declare any interest related to specific matters on the agenda. This is stated at the start of each agenda.	Yes	
Voting			
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.	Voting rights are detailed in the Tayside Superannuation Funds Statement of Investment Principles.	Yes	Statement of Investment Principles is accessible via the Council website.

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Training/Facility Time/Expenses			
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.	All new members of the Superannuation Investment Sub-Committee are offered training by officers. Further training is offered periodically, generally from investment consultants, investment managers of the fund and actuaries. In addition, if other training opportunities are identified, including attendance at conferences and seminars, these are offered to members, as appropriate. Costs and expenses incurred are met by the Pension Fund.	Yes	
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.	Training policy applies to all members of the Superannuation Investment Sub-Committee.	Yes	
That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.	Training is provided as needs are identified. A log of all training undertaken is maintained.	Yes	
Meetings (Frequency/Quorum)			
That an administering authority's main committee or committees meet at least quarterly.	Policy & Resources Committee meets 4-weekly. Additional meetings are held when necessary.	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
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.	Superannuation Investment Sub-Committee meets quarterly. Additional meetings are held when necessary.	Yes	
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.	Employer Forum for scheduled and admitted bodies is held annually, including presentations on topical subjects.	Yes	
Access			
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.	All members are treated equally in terms of access to committee papers and advice.	Yes	
Scope			
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	The Superannuation Investment Sub-Committee has a remit to supervise and control operations and investments.	Yes	

Compliance Principle	Arrangements in Place/Action Taken	Compliance with Principle? Yes/No/Partial	Comments
Publicity			
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.	Governance Policy Statement was approved in May 2009, following consultation with all employers.	Yes	Governance Policy Statement and Governance Compliance Statement will be available on the Council website following committee approval.