

**LONDON BOROUGH OF WALTHAM FOREST PENSION FUND
GOVERNANCE COMPLIANCE STATEMENT 2008**

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

Non Compliant				Fully Compliant	
a)				√	
b)				√	
c)				√	
d)					√

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item a) Management of the administration of benefits is currently regarded as an Executive function.

Item b) LBWF does not have a Panel member specifically to represent ex-members (pensioners / deferred members) as yet, but a representative is actively being sought. Union reps and a staff member representative are already members of the panel, and who are able to fulfil this function.

Item c) A review is needed of the arrangements for formally reporting on from the Panel to the Council

Comments on ratings given above:

The Council of the London Borough of Waltham Forest, as Administering Authority, has deemed that the Council is responsible for the management of the administration of benefits and strategic management of fund assets. The Council has established an advisory panel, the Pension Fund Members Panel, to recommend fund policy to Council and to monitor the performance of its investment managers. The Panel has no delegated powers.

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Principle 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) where appropriate, independent professional observers, and
- iv) expert advisors (on an ad-hoc basis).

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.

	Non Compliant			Fully Compliant	
a)			√		
b)					√

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item a) ii) LBWF does not have direct representation for ex-members (pensioners/deferred members), because of difficulty of identifying candidates and communicating with this constituency, although a representative is actively being sought.

Item a) iii) LBWF does not have independent professional observers, but a tendering process for investment advice is being initiated.

Comments on ratings given above:

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Principle 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.

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.

	Non Compliant			Fully Compliant	
a)			√		
b)					√

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item a) Members are made aware of their role & function in a report on the Panel's Terms of Reference at the start of each Council. This needs now to be updated more frequently in the light of changing requirements.

Comments on ratings given above:

The Pension Fund Members Panel has the following terms of reference:

- To receive regular professional advice from the Managers and Officers
- To recommend broad policy guidelines for the investment managers
- To monitor the fund and the performance of the investment management arrangements and recommend any changes as are considered appropriate
- To receive details of the annual accounts and agree an Annual Report for submission to the trustees and other interested parties
- To consider issues associated with the membership and marketing of the Fund

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Principle 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.

	Non Compliant			Fully Compliant	
a)				√	

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item a) The voting membership of the Panel consists of five elected members of the Council - selection is subject to the Council's rules relating to proportional political balance on committees. The Panel also includes five representatives of employing authorities, both Scheme and non-Scheme, and three representatives of members of the fund. These eight representatives have observer status but no voting rights as otherwise the Council members, who have the principal responsibility, would potentially be in a minority.

Comments on ratings given above:

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Principle 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.

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.

c) That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken

	Non Compliant		Fully Compliant	
a)		√		
b)		√		
c)	√			

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Items a), b) and c) There is no formal policy currently on training, facility time and expenses specific to the administering authority's functions. A report on training policy and its implementation is being considered by Pension Fund Members Panel in September 2008, and this will take into account the principles above.

Comments on ratings given above:

Any entitlement (current or in the future) would be extended to all such members.

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Principle F – Meetings (frequency/quorum)

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

c) That an administering authority who does 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

	Non Compliant			Fully Compliant	
a)					√
b)				√	
c)			√		

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item b) The Panel meetings are not closely synchronised with Council meetings

Item c) There is no formal representation on the committee for pensioners/deferred members as explained above.

Comments on ratings given above:

The panel ordinarily meets four times in the course of a financial year.

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Principle 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.

Non Compliant				Fully Compliant	
a)					√

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Comments on ratings given above:

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Principle H – Scope

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

Non Compliant			Fully Compliant		
a)			√		

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:
LBWF has traditionally taken a relatively narrow view of the scope of its governance arrangements. The Council is currently reviewing these arrangements

Comments on ratings given above:
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Principle 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.

Non Compliant				Fully Compliant	
a)				√	

Reason for non-compliance (Regulation 73A(1)(c) 1997 Regulations:

Item a) A newsletter is circulated to all members. This is used to advertise active member representative vacancies as they arise. This Governance Compliance Statement will be published as part of the Pension Fund Annual Report as required by the Regulations and will thus be available to stakeholders on the Council's website.

Comments on ratings given above: