

CARDIFF & VALE OF GLAMORGAN PENSION FUND

GOVERNANCE COMPLIANCE STATEMENT

This Statement has been prepared and published by the City of Cardiff Council as Administering Authority of the Cardiff & Vale of Glamorgan Pension Fund, in compliance with regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) (the “LGPS Regulations”).

Delegation of Functions

City of Cardiff Council has delegated its functions under the LGPS Regulations to the Corporate Director Resources. The relevant delegations in the Council’s Constitution are:

FS28

In accordance with any policy or strategy decided by the Authority to approve decisions relating to the management of the pension fund and the administration of pension benefits.

FS51

To carry out functions relating to local government pensions etc pursuant to Regulations under Section 7, 12 or 24 or the Superannuation Act 1972; and functions relating to pensions, allowances and gratuities pursuant to Regulations under Section 18(3A) of the Local Government and Housing Act 1989.

The administration of the Pension Fund is carried out by the Pensions Section based in County Hall. All significant decisions e.g. the exercise of discretions granted to the administering authority under the LGPS regulations, are made and recorded in accordance with the Council’s scheme for delegated decision making. As part of the Resources Directorate, the Section is subject to the Council’s policies, procedures and internal controls.

The Corporate Director Resources is advised on investment matters by an Investment Advisory Panel. The role of the panel is detailed in the Fund’s Statement of Investment Principles.

The panel comprises:

- Corporate Director Resources
- Three elected members of City of Cardiff Council
- One elected member of Vale of Glamorgan Council
- Two independent advisers

The panel normally meets four times a year to review the performance of the Fund’s investments and to advise on investment strategy. The panel also considers other aspects of the administration of the LGPS which may have implications for investments e.g. the triennial actuarial valuation. The panel receives presentations from each active investment manager annually and also interviews shortlisted managers when new mandates are awarded.

An Employers' Forum is held annually to which all contributing employers of the Fund are invited. The Forum considers the Fund's Annual Report and Accounts and receives presentations on matters such as changes in regulations and actuarial valuations.

A Trade Union Forum is also held annually and considers similar issues with trade union representatives of the main employers.

Compliance with Statutory Guidance

Compliance Standard	Arrangements in Place/Action Taken	Action Complies with Principle? Yes/No/Partial	Reason for non-Compliance (if applicable)
Principle A - Structure			
<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.</i>	Delegations are clearly set out in the Council's Constitution	Yes	
<i>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.</i>	The two main employers are represented on the Investment Advisory Panel. Other employers attend the annual Employers' Forum and are represented on the Local Pension Board Scheme members are not represented on the panel but are represented at the Trade Union Forum and Local Pension Board.	Partial	
<i>That where a secondary committee or panel has been established, the structure ensures</i>	N/A		

Compliance Standard	Arrangements in Place/Action Taken	Action Complies with Principle? Yes/No/Partial	Reason for non-Compliance (if applicable)
<i>effective communication across both levels.</i>			
<i>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.</i>	N/A		
Principle B – Representation			
<p><i>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include :-</i></p> <p><i>i) employing authorities (including non-scheme employers, eg, admitted bodies);</i></p> <p><i>ii) scheme members (including deferred and pensioner scheme members);</i></p> <p><i>iii) independent professional observers; and</i></p> <p><i>iv) expert advisors (on an ad-hoc basis).</i></p>	<p>The two unitary authorities employ over 85% of active members and are represented. Other employers are not currently represented</p> <p>Scheme members are not currently represented</p> <p>Two independent advisors attend every panel meeting</p>	Partial	

<i>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.</i>	All Panel members have the same access to papers and training opportunities.	Yes	
Principle C - Selection and Role of Lay Members			
<i>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.</i>	The role of the Investment Advisory Panel is clearly set out in the SIP and other key documents	Yes	
Principle D – Voting			
<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.</i>	The Investment Advisory Panel's role is to advise the Corporate Director Resources. Consequently there is no voting on matters considered.	Yes	
Principle E - Training/Facility Time/Expenses			
<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</i>	Panel members are advised of training opportunities.	Yes	

<i>of expenses in respect of members involved in the decision-making process.</i>			
<i>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.</i>		Yes	
Principle F - Meetings (frequency/quorum)			
<i>That an administering authority's main committee or committees meet at least quarterly.</i>	The Investment Advisory Panel meets quarterly	Yes	
<i>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.</i>	N/A		
<i>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.</i>	Employers' Forum and Trade Union Forum are held annually	Yes	

Principle G - Access			
<i>That subject to any rules in the councils 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.</i>	Papers are circulated to all panel members in advance of meetings.	Yes	
Principle H - Scope			
<i>That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.</i>	The Investment Advisory Panel considers all issues relevant to investment matters. Wider issues are discussed at the Employers' and TU Forums.	Yes	
Principle I - Publicity			
<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 be part of those arrangements.</i>	All governance documents are published on the Council's website	Yes	

Local Pension Board

The Terms of Reference for the Local Pension Board of the Cardiff & Vale of Glamorgan Pension Fund have been published on the Fund's website:

www.cardiff.gov.uk/pensions/

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