



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

WEDNESDAY, 18 JANUARY 2023

Report of the Interim Director - Finance and ICT

GOVERNANCE POLICY AND COMPLIANCE STATEMENT

1. Purpose

To seek approval for the draft updated Governance Policy and Compliance Statement for Derbyshire Pension Fund (the Fund) attached as Appendix 2.

2. Information and Analysis

2.1 Background

Regulation 55 of The Local Government Pension Scheme Regulations 2013 requires an administering authority, after consultation with such persons as it considers appropriate, to prepare, publish and keep under review, a written statement setting out:

- whether it delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority
- the terms, structure and operational procedures of any such delegations
- 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 these 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
- details of the terms, structure and operational procedures relation to the local pension board

The Governance Policy and Compliance Statement (the Statement) sets out the governance arrangements for Derbyshire Pension Fund and records the extent to which the Fund complies with the statutory guidance issued by the Secretary of State in respect of these matters.

2.2 Update included in the draft Statement

A minor update has been included in the draft Statement to reflect the reappointment of the two members representing Derby City Council following the City Council's Annual General Meeting on 25 May 2022. As there are no material changes to the Statement, consultation with stakeholders is not proposed.

2.3 Review of the composition of the Pensions and Investments Committee

At the Pensions and Investments Committee meeting on 20 October 2021, it was noted that an area for future consideration was the extension of member and employer representation on Committee.

In February 2021, the LGPS Scheme Advisory Board (SAB) published the final report of its Good Governance Review and provided an action plan for consideration by the Ministry of Housing, Communities and Local Government (now the Department of Levelling Up, Housing and Communities - DLUHC).

A response to the action plan has not yet been provided, however, it is anticipated that DLUHC will release a formal consultation on the governance of LGPS funds early in 2023 and, subject to the outcome of the consultation, issue amendments to the LGPS regulations and statutory guidance with respect to the implementation of the recommendations set out in the Good Governance review.

The review of scheme member and employer representation in the Fund's governance structure will be finalised following publication of the statutory guidance from DLUHC.

In respect of current representation within the governance structure of the Fund, Derbyshire Pension Board (which includes scheme member and

employer representatives) assists the Committee in the administration of the Fund.

As part of plans to increase member involvement in the governance of the Fund, a Members' Forum is due to be established later in 2023 when the My Pension Online service has settled in as the main route of engagement between the Fund and its members.

3 Implications

Appendix 1 sets out the relevant implications considered in the preparation of the report.

4 Background Papers

Background papers are held by the Head of Pension Fund.

5 Appendices

5.1 Appendix 1 – Implications

5.2 Appendix 2 – Draft Governance Policy and Compliance Statement

6 Recommendation(s)

That Committee approves the draft Derbyshire Pension Fund Governance Policy and Compliance Statement attached as Appendix 2.

7 Reasons for Recommendation(s)

The Pension Fund is required to have a written statement of its governance arrangements. The current version of the Fund's Governance Policy and Compliance Statement was approved by Committee on 20 October 2021 and is subject to annual review.

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Implications

Financial

1.1 All costs related to the operation and implementation of this Policy will be met directly by Derbyshire Pension Fund.

Legal

2.1 None

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 None

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None