



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

WEDNESDAY, 24 JANUARY 2024

Report of the Director of 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 draft updated 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 **Updates included in the Statement**

Minor updates have been included in the Statement to reflect the appointment of the two members representing Derby City Council following the City Council's Annual General Meeting on 24 May 2023 and to provide additional information on the governance of the LGPS Central Pool.

As there are no material changes to the Statement, consultation with stakeholders is not proposed.

Subject to the Committee's approval, the Statement will be published on the Fund's website.

2.3 **LGPS Scheme Advisory Board Good Governance Review**

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).

During 2022, DLUHC reported to SAB that Ministers had agreed to take the proposals forward and expected that Good Governance requirements would be implemented through amendments to LGPS regulations and statutory guidance, however, to date, details on progressing the recommendations have not been published.

Scheme member and employer representation in the Fund's governance structure will be reviewed following publication of any relevant amended LGPS regulations/statutory guidance from DLUHC.

In respect of current representation within the governance structure of the Fund, Derbyshire Pension Board, which assists the Committee in the

administration of the Fund, includes scheme member and scheme employer representatives and two trade union representatives are entitled to be non-voting members of the Pensions and Investments Committee.

As part of plans to increase member involvement in the governance of the Fund, a Member Engagement Forum is due to be established during 2024. All scheme members have been invited to express interest in joining the Forum.

3. Implications

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

4. Background Papers

- 4.1 Background papers are held by the Head of Pension Fund.

5. Appendices

- 5.1 Appendix 1 – Implications
5.2 Appendix 2 – Draft updated Governance Policy and Compliance Statement

6. Recommendation(s)

That Committee:

- a) approves the draft updated Derbyshire Pension Fund Governance Policy and Compliance Statement attached as Appendix 2.

7. Reasons for Recommendation(s)

- 7.1 The Pension Fund is required to have a written statement of its governance arrangements and Committee is responsible for approving the Fund's statements, strategies and policies. The current version of the Fund's Governance Policy and Compliance Statement was approved by Committee on 18 January 2023 and is subject to annual review.

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Implications

Financial

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

Legal

- 2.1 The preparation and maintenance of a Governance Compliance Statement by an LGPS administering authority is required under Regulation 55 of The Local Government Pension Scheme Regulations 2013.

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