

PENSION FUND COMMITTEE – 7 JUNE 2024

GOVERNANCE & COMMUNICATIONS POLICY REVIEWS

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**

- a) **Approve the revised Communications Policy.**
- b) **Approve the revised Governance Policy.**
- c) **Approve the revised Governance Compliance Statement.**
- d) **Approve the revised Breaches Policy.**

Communications Policy

- 2. Regulation 61 of the Local Government Pension Scheme Regulations 2013 sets out the administering authority's policy requirements concerning communications with members and Scheme employers. Specifically, it states that 'an administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members and Scheme employers.'
- 3. Furthermore, the policy must set out the following:
 - i) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
 - ii) the format, frequency and method of distributing such information or publicity; and
 - iii) the promotion of the Scheme to prospective members and their employers.
- 4. The fund Communications Policy was last reviewed in March 2023. The single addition to the new policy is a reference to the Employer Survey which is a new initiative which commenced in 2024. There are no other noteworthy updates to the review of the Communications Policy. The revised Communications Policy can be found at **APPENDIX 1**.

Governance Policy & Governance Compliance Statement

- 5. Under regulation 55 of the LGPS Regulations 2013, all Funds within the Local Government Pension Scheme (LGPS) in England and Wales are required to publish a Governance Compliance Statement.

6. The regulations prescribe the content of the Governance Compliance Statement and Governance Policy which must also be included in the annual report. The Compliance Statement and Policy should outline the overall governance structures and arrangements in place including:
 - the respective roles and responsibilities of the pensions or investments committee, local pensions board and any related sub-committees or advisory panels;
 - membership of each panel, board, committee or sub-committee with details of each member's voting rights, record of attendance at meetings and details of training received;
 - how the CIPFA Knowledge and Skills Framework, and other training requirements, (e.g. for MIFID II and The Pensions Regulator) have been applied;
 - how oversight and governance of the regional asset pool takes place;
 - other key elements of the governance structure (e.g. key officers, risk management arrangements and systems of internal controls);
 - policies and processes for managing conflicts of interest (e.g. Codes of Conduct, Register of Interests).
7. The main updates to Governance Policy:
 - An update to reflect the change in the membership of the Pension Fund Committee, approved by full Council in November 2023;
 - An update to include the mandatory training requirements for the Pension Fund Committee and Local Pension Board which was agreed at the Full Council meeting in October 2022;
 - A copy of the revised Governance Policy can be found at **APPENDIX 2**.
8. The main updates to Governance Compliance Statement:
 - Principle B – Representation has been updated to reflect the change in membership of the Pension Fund Committee, approved by Full Council in November 2023;
 - A copy of the revised Governance Compliance Statement can be found at **APPENDIX 3**

The Breaches Policy

9. There are various legislative and regulatory requirements for Pension Funds regarding breaches:
 - i) Under the Pensions Act 2004, the Fund must report breaches of the law relating to the administration of the Pension Fund to the Pension Regulator and where data breaches occur to the Information Commissioner;
 - ii) The UK General Data Protection Regulation (UK GDPR) apply to the processing of personal data;

- iii) The Pension Regulator's General Code of Practice provides practical guidance in relation to this legal requirement to Pension Funds.
10. The main update to the Breaches Policy is the fact that the Pensions Regulator has now released the new General Code of Practice which came into effect from April 2024. This new code of regulatory practice replaces the Code of Practice 14 for the LGPS. There are no other noteworthy updates to the document. A copy of the revised Breaches Policy can be found at **APPENDIX 4**.
11. The Committee is recommended to approve these four revised policy documents.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master
Tel: 07732 826419

May 2024