

Lancashire Local Pension Board
Meeting to be held on Tuesday, 9 July 2024

Electoral Division affected:
N/A;

Lancashire County Pension Fund - Governance Compliance Statement
Appendices 'A' and 'B' refer

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Brief Summary

The Fund has undertaken a review of the content in its Governance Compliance Statement. The detail in this report provides the background behind the requirements and the purpose of this review.

Recommendation

The Local Pension Board is asked to consider and comment on the revised Governance Compliance Statement attached at Appendix 'A' and recommend it to the Pension Fund Committee for approval.

Detail

There are a number of sources of regulation/guidance covering the Governance Compliance Statement as detailed below:

- 1) **Regulations** - The Fund is required to produce, keep under regular review and revise as appropriate, a Governance Compliance Statement in accordance with regulation 55 of the Local Government Pension Scheme Regulations 2013.
- 2) **Guidance** - In addition to regulation 55, the 2019 CIPFA guidance – Preparing the Annual Report suggests what further content should be included in the statement and advises that a copy must be included in the published Pension Fund Annual Report and Accounts. This guidance is still in place and has not been superseded by that at (3). These requirements are 'should haves' or 'could haves'.
- 3) **Guidance** - In April 2024, the Department for Levelling Up, Housing and Communities (DLUHC) provided some updated guidance on preparing the annual report. This guidance looks to streamline the content in the Annual



Report and Accounts and states that the Fund is not required to publish the Governance Compliance Statement in full but can link to a published version on its website with a summary of the report. It effectively provides a checklist of requirements to enable the Fund to conduct a compliant self-assessment.

At the time of writing this report the Fund officers plan to incorporate the full Governance Compliance Statement within the Lancashire County Pension Fund Annual Report.

Review of the Governance Compliance Statement

Appendix 'A' to this report provides an updated version of the Governance Compliance Statement following a review by the Fund Officers. This is a streamlined version of the Governance Compliance Statement however still meets the mandatory requirements specified under regulation 55.

The current version of the Governance Compliance Statement can be accessed via the Fund's website by clicking [here](#). This document will allow members of the Board to view the differences between the existing statement and the updated version at Appendix 'A'.

Appendix 'B' to this report provides a gap analysis of the updated Governance Compliance Statement compared against the requirements set out in regulation 55 and the 2019 CIPFA guidance - Preparing the Annual Report.

The gap analysis demonstrates that this version of the statement meets the requirements set out in the Regulations and CIPFA guidance.

Next Steps

Fund Officers will consider any feedback from this meeting and if appropriate will incorporate it into the statement. Following this, the statement will be presented to the Pension Fund Committee – as part of the Lancashire County Pension Fund Annual Report - on 13th September 2024 for approval.

A full copy of the statement will be published on the Fund's website once it is approved by the Committee.

Appendices

Appendix 'A' and 'B' are attached to this report. For clarification it is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Governance Compliance Statement (Updated version – 2024)
Appendix 'B'	Gap analysis against the requirements set out in regulation 55 and the 2019 CIPFA - Preparing the Annual Report guidance



Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

A sound Governance Compliance Statement which reflects the reality of the operation of the Fund represents a key assurance for members that the control framework is operating appropriately to manage risk.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
CIPFA – Preparing the Annual Report	March 2019	Junaid Laly/01772532767
DLUHC – Preparing the Pension Fund Annual Report	April 2024	Junaid Laly/01772532767

Reason for inclusion in Part II, if appropriate

N/A

