

1. Introduction

- 1.1 This is the governance compliance statement of the Nottinghamshire pension fund which is part of the Local Government Pension Scheme and administered by Nottinghamshire County Council (the council). The statement has been prepared as required by the Local Government Pension Scheme (Administration) Regulations 2013.

2. Governance Arrangements

- 2.1 Under the terms of the council's constitution, the functions of the council as administering authority of the pension fund are delegated to the Nottinghamshire Pension Fund Committee. This is in line with guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 2.2 The Nottinghamshire Pension Fund Committee meets about eight times a year and its members act in a quasi-trustee capacity. Under the constitution, it is responsible for Administering the Nottinghamshire Pension Fund, including investments and management of pension funds.
- 2.3 The Committee also has responsibility for investment performance management of the Fund Managers. It may appoint a working party to consider future policy and development.
- 2.4 The Committee has the further responsibility for matters relating to the administration of the Pension Fund.
- 2.5 The number of voting members of the Nottinghamshire Pension Fund Committee is determined by the Council at its annual meeting.
- 2.6 The Committee have responsibility for the Fund's Responsible Investment approach, including climate risk management.

3. Functions and Responsibilities

- 3.1 The Nottinghamshire Pension Fund Committee separately approves the Pension Fund's Funding Strategy Statement, Investment Strategy Statement, Risk Management Strategy, Administration Strategy Statement, Communications Strategy Statement, Approach to

Responsible Investment, Climate Strategy, Training Strategy and Conflicts of Interest Protocol.

- 3.2 The Funding Strategy Statement sets out the aims and purpose of the Pension Fund and the responsibilities of the administering authority as regards funding the scheme. Funding is the making of advance provision to meet the cost of accruing benefit promises and the long term objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities. These responsibilities are delegated to the Nottinghamshire Pension Fund Committee.
- 3.3 The Investment Strategy Statement sets out more detailed responsibilities relating to the overall investment strategy of the funds including the proposed asset allocation, restrictions on investment types, the type of investment management used and performance monitoring. It also covers the fund's policy on Member training and expenses and states the fund's approach to socially responsible investment and corporate governance issues. These responsibilities are delegated to the Nottinghamshire Pension Fund Committee.
- 3.4 Financial Regulations specify that the Service Director (Finance, Infrastructure & Improvement) is responsible for arranging the investment of the Pension Fund. Operational matters falling under this responsibility are exercised by the Senior Accountant (Pensions & Treasury Management).
- 3.5 The 'Approach to Responsible Investment' sets out the Fund's responsible investment beliefs and its policy on engagement and the exercise of voting rights. Responsibility for the 'Approach to Responsible Investment' is delegated to the Nottinghamshire Pension Fund Committee.
- 3.6 The Climate Strategy describes the way climate-related risks are managed by the Fund and covers four main elements:
 - Governance of climate risk
 - Climate-related beliefs
 - Objectives
 - Strategic actions
- 3.7 Responsibility for the Climate Strategy is delegated to the Nottinghamshire Pension Fund Committee, who review the document on an regular basis
- 3.8 The Risk Management Strategy aims to reduce or eliminate risks which may jeopardise the achievement of the Fund's key objectives. It includes a risk register that identifies and prioritises the main risks to the operation of the fund. Responsibility for the Risk Management Strategy is delegated to the Nottinghamshire Pension Fund Committee.

3.9 The Communications Strategy Statement details the overall strategy for involving stakeholders in the pension funds. The stakeholders identified are:

- trustees
- current and prospective scheme members
- scheme employers
- administration staff
- other bodies.

Responsibility for the communications strategy is delegated to the Nottinghamshire Pension Fund Committee.

3.10 The Training Strategy sets out how those responsible for the administration of the Fund will meet the knowledge and understanding requirements. It covers both members of the Nottinghamshire Pension Fund Committee and Local Pensions Board. It sets out areas of which members are required to have knowledge and understanding, how that will be monitored and reported on, and expectations placed on members.

3.11 The Conflicts of Interest Protocol sets out how the Fund will manage conflicts of interest for members of Nottinghamshire Pension Fund Committee (including non-voting co-opted members) and the Local Pensions Board, officers and advisers to the Fund.

4. Representation

4.1 The Nottinghamshire Pension Fund Committee has 11 voting members all of whom are current county councillors. The political make-up of the committee is in line with the current composition of the council and the chair and vice-chair are appointed by Council. These members have full voting rights.

4.2 In addition, the Committee also has 10 co-opted, non-voting members consisting of the following representatives:

- Nottingham City Council (3)
- Nottinghamshire Local Authorities' Association (2)
- Scheduled and admitted bodies (1)
- Trade unions (2)
- Pensioner representatives (2)

4.3 The quorum of the committee is one third of its membership.

4.4 Meetings of the Committee are also attended by officers of the County Council and an independent adviser. This ensures the Committee has access to "proper advice" as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. Proper advice is defined as the advice of a person who is reasonably believed to be qualified by their ability in and practical

experience of financial matters. This includes any such person who is an officer of the administering authority.

5. Local Pensions Board

5.1 In line with the requirements of the Public Services Pensions Act 2013, the council established the Local Pensions Board.

5.2 The Local Pensions Board assists the administering authority with securing compliance with the Local Government Pension Scheme regulations and other legislation relating to the governance and administration of the scheme. The Board does not have a decision-making role in relation to the management of the Fund but it can make recommendations to the Nottinghamshire Pension Fund Committee.

5.3 The Board's membership consists of:

- Four employer representatives, one appointed by Nottinghamshire County Council, one from Nottingham City Council and two representatives from other scheme employers, one from a small employer and one from a large employer
- Four scheme member representatives; these can be scheme members, deferred members or people in receipt of a pension from the Fund

5.4 The Board appoints its own chair from amongst its members.

5.5 All Board members are entitled to vote.

5.6 The quorum for meetings of the Local Pensions Board is three members and it must include at least one pensioner representative and one employer representative.

5.7 Four board meetings are scheduled each municipal year.

6. Expectations of the Chair of the Nottinghamshire Pension Fund Committee and Local Pensions Board

6.1 The Chairs of the Committee and Board lead the respective bodies in carrying out their functions. The role of the Chair in managing meetings is set out in the Council's Constitution. Training is offered to Chairs appointed by the County Council to support them in fulfilling their role.

6.2 Chairs are responsible for managing meetings, which includes managing potential conflicts of interest, seeking consensus and encouraging participation, particularly where members have knowledge and skills that would be of benefit to a discussion/decision. They demonstrate the standards of behaviour expected of all members and

manage meetings in a way that promotes and supports these behaviours. The Chairs work with the officers and advisers who work with the Committee and Board, supporting the commissioning of relevant training and encouraging attendance.

7. Stakeholder Engagement

7.1 An annual meeting of the Pension Fund is held each year to which all employer representatives and scheme members are welcome. The purpose of the meeting is to report on investment performance and current issues of concern to the Pension Fund.

7.2 A number of other initiatives to involve stakeholders are currently in place including:

- Annual year end employer's meetings
- meetings between employers and actuaries as and when required
- Nottinghamshire Finance Officers meetings
- the annual report for the pension fund
- dedicated pension fund website.

8. Review and Compliance with Best Practice

8.1 This statement will be kept under review and will be revised and published following any material change in the governance arrangements of the Pension Fund.

8.2 The regulations required a statement as to the extent to which the governance arrangements comply with guidance issued by the Secretary of State. The guidance contains best practice principles and so are shown below with the assessment of compliance.

Ref.	Principles	Compliance and Comments
A	Structure	
a.	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Fully compliant
b.	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.	Fully compliant Representatives of employers and scheme members are also represented on the Local Pensions Board.
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not applicable
d.	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.	Not applicable
B	Representation	
a.	That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. These include :- i) employing authorities (including non-scheme employers, eg, admitted bodies); ii) scheme members (including deferred and pensioner scheme members), iii) independent professional observers, and iv) expert advisors (on an ad-hoc basis).	Fully compliant Representatives of employers and scheme members are also represented on the Local Pensions Board.
b.	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.	Fully compliant
C	Selection and role of lay members	
a.	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.	Fully compliant All members of the Nottinghamshire Pension Fund Committee are aware of their responsibilities for the oversight of the Fund.
b.	That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda	Compliant This is a standing item on Pension Fund Committee agendas. Members of the committee and board are also required to complete a form disclosing their interests on appointment and

		review it regularly. This information is published on the Council's website as part of its register of interests.
D	Voting	
a.	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.	Fully compliant A full review of voting has been undertaken and was presented to Committee in December 2023
E	Training/facility time/expenses	
a.	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 of expenses in respect of members involved in the decision-making process.	Fully compliant Members are encouraged to receive suitable training to help them discharge their responsibilities including attending training courses, conferences and meetings. Travel and subsistence arrangements are those which prevail for the County Council.
b.	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.	Fully compliant
F	Meetings (frequency/quorum)	
a.	That an administering authority's main committee or committees meet at least quarterly.	Fully compliant The Nottinghamshire Pension Fund Committee meets about 8 times a year.
b.	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.	Not applicable
c.	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.	Not applicable
G	Access	
a.	That subject to any rules in the council's 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.	Fully compliant
H	Scope	
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Fully compliant
I	Publicity	

a.	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.	Fully compliant All meeting minutes, reports and Pension Fund policies are published on the Council's website. The governance compliance statement is published on the pension fund website and is included with the relevant committee report (available on the County Council website).
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