



Committee and Date

Pensions Committee

20 June 2011

10 am

Item

15

Public

GOVERNANCE COMPLIANCE STATEMENT

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1. Summary

- 1.1 The report outlines the requirement to produce a Governance Compliance Statement in line with the best practice principles published by the Communities & Local Government Department. This report updates the Governance Compliance Statement that was first published in February 2006 and revised in June 2009.

2. Recommendations

- 2.1 The Committee is asked to approve, with or without comment, the revised Governance Compliance Statement at Appendix A.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Risk management is considered by Committee in making decisions under the governance arrangements outlined.
- 3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.3 There are no direct environmental, equalities or climate change consequences of this proposal.
- 3.4 The Governance Compliance Statement will be issued to employers and published on the Scheme's website.

4. Financial Implications

4.1 There are no direct financial implications arising from this report.

5. Background

5.1 In February 2006 Members may recall approving the Governance Compliance Statement for the Shropshire Fund which outlined the governance arrangements that have been in existence since 1994. This document was published following consultation with employers.

5.2 In February 2007 the Committee received a report outlining a further requirement to publish compliance against a series of best practice principles which were incorporated into the Governance Compliance Statement at this time.

5.3 The Governance Compliance Statement was last approved by Committee in June 2009.

6. Purpose of Governance Compliance Statement

6.1 The regulations require an administering authority to prepare a written statement setting out;-

(a) Whether it delegates its functions, or part of its function, in relation to maintaining a pension fund to a committee, sub committee or officer of the authority

(b) And, if so, it must state:

- The terms of reference, structure and operational procedures of the delegation
- The frequency of any committee/sub committee meetings;
- Whether the committee/sub committee includes representatives of employing authorities (including non-scheme employers) or scheme members, and, if so, whether these representatives have voting rights;

(c) The extent to which 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

6.2 In 2008 the Communities & Local Government Department issued a document entitled "Best Practice in Governance Arrangements for Local Government Pension Schemes" which required pension funds to outline compliance against a range of best practice principles. The governance arrangements of the Shropshire Fund adhere to all these

best practice principles. Compliance against these principles is shown within the Governance Compliance Statement.

- 6.3 The revised Governance Compliance Statement is attached at Appendix A. Following approval this document will be issued to all employers and published on the website.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Pensions Committee, 30 June 2009, Governance Compliance Statement

Cabinet Member
N/A

Local Member
N/A

Appendices
A – Governance Compliance Statement (revised June 2011)

