



<u>Committee and Date</u>	<u>Item</u>
Pensions Committee	
20 March 2015	12
10.30am	Public

GOVERNANCE COMPLIANCE STATEMENT

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1. Summary

- 1.1 The report outlines the requirement to produce and keep updated 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 back in February 2006 and has now been updated to include the creation of the Pension's Board.

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 approved the Governance Compliance Statement for the Shropshire Fund which outlined the governance arrangements that had been in existence since 1994. This document was published following consultation with employers.

5.2 The Governance Compliance Statement was last updated and approved by Committee in June 2014.

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

(d) details of the terms, structure and operational procedures relating to the local pension board.

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 Governance Compliance Statement has been updated to take account of the creation of the local pension board.

- 6.4 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, 20 June 2014, Governance Compliance Statement

Cabinet Member

N/A

Local Member

N/A

Appendices

A – Governance Compliance Statement (revised March 2015)