



Date: Thursday, 17 July 2025

Time: 10.00 am

Venue: The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

Contact: Tim Ward, Committee Officer
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COUNCIL

TO FOLLOW REPORT (S)

- 16 LGPS - Scheme of Delegation (Pages 1 - 6)**
Report of the Pensions Investment and Responsible Investment Manager is **TO FOLLOW**

Contact Peter Chadderton. Tel. 07990 086399

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Council
17 July 2025

Item

Public



Scheme of Delegation

Responsible Officer:	Peter Chadderton		
email:	peter.chadderton@shropshire.gov.uk	Tel:	07990 086399
Cabinet Member (Portfolio Holder):			

1. Synopsis

- 1.1 Request to amend part 8 of the Councils Constitution in respect of the Scheme of Delegations to allow the Section 151 officer or the LGPS Senior Officer to represent the Council as the shareholder and vote at LGPS Central shareholder meetings in the absence of the Chair of the Pensions Committee.

2. Executive Summary

- 2.1. Shropshire Council acts as Adminstrating Authority for Shropshire County Pension Fund. The Fund's pooling company is LGPS Central and the Fund is represented in the shareholders Forum with the other seven owning authorities on a one member one vote basis.
- 2.2. The Pension Fund is made up of elected members from both Shropshire Council and Telford and Wrekin Council. Currently the Pension Funds Governance and Compliance statement confirms that the position of shareholder in LGPS Central will be held by the Chair of the Pensions Committee provided they are a Shropshire Council Member. Telford and Wrekin Council members can hold the Chair or Vice Chair position but cannot represent the Shropshire County Pension Fund at LGPS Central meetings as they cannot bind the Administering Authority.
- 2.3. The recent response to the LGPS "Fit for the Future" consultation has created a need to review the delegations to ensure that decisions can be reached in a timely manner and in line with the government's deadlines.

- 2.4. A request is made to improve business continuity at this time, to avoid delays in the ability of LGPS Central to progress decisions by allowing either the Section 151 Officer or LGPS Senior Officer under the Scheme of Delegations to represent Shropshire County Pension Fund at the Shareholders Forum and vote on behalf of the Fund in the absence of the Chair of the Pensions Committee.

3. Recommendations

- 3.1. That Members resolve that the Responsibility for Functions, set out in Part 3 of the Constitution and the Scheme of Delegations, set out in Part 8 of the Constitution be updated to allow either the Section 151 Officer or LGPS Senior Officer to represent Shropshire County Pension Fund at the LGPS Central Shareholders Forum and vote on behalf of the Fund in the absence of the Chair of the Pensions Committee.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk Management
Risk Management is part of the Pension Fund's structured decision-making process by ensuring that investment decisions are taken by those best qualified to take them.
- 4.2. Human Rights Act Appraisal
The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 4.3. There are no direct Equalities or Community consequences.
- 4.4. Environmental Appraisal
The Fund's Corporate Governance Policy enables it to influence the environmental policies of the companies in which it invests.

5. Financial Implications

- 5.1. There are no direct financial implications arising from this report.

6. Climate Change Appraisal

- 6.1 The Fund takes responsible investment very seriously and has a Climate Change Strategy (updated in September 2024) in place committing to net zero by 2050 in line with the Paris accord on climate change adopted in 2015 and setting out interim targets to that goal.
- 6.2 Responsible investment is a key process the investment managers go through before investing and something the fund considers as part of investment

opportunities. Thorough due diligence is undertaken considering all risks including climate change. The investment managers vote where applicable on the Fund's behalf, Columbia Threadneedle Investments engage with companies on the Fund's behalf and the Fund is a member of the Local Authority Pension Fund Forum (LAPFF) which undertakes engagements on behalf of all LGPS members.

6.3 Shropshire County Pension Fund is a signatory to the UK stewardship code.

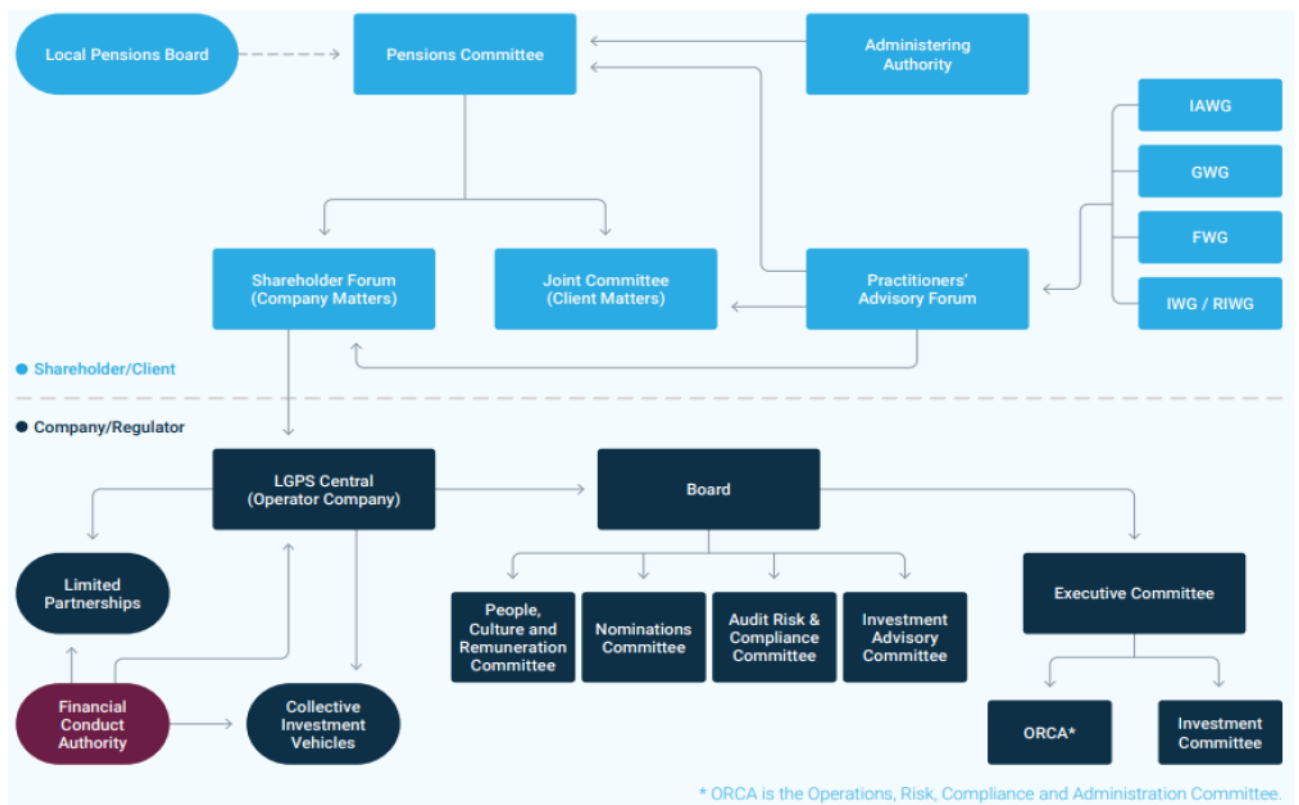
6.4 Shropshire County Pension Fund has also received and published Climate Risk Reports and TCFD reports since December 2020. The latest report from December 2024 is publicly available on our website.

7. Background

7.1 The Shropshire County Pension Fund has been a member of LGPS Central since inception in 2018 following the government proposals for pooling developed in 2015.

7.2 LGPS Central is presently made up of eight local government pensions schemes on a one member one vote basis.

7.3 The chart below shows the governance structure of LGPS Central and how the Shareholder Forum fits in the governance process.



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¹ Practitioners Advisory Forum is represented by the LGPS Senior Officers of each fund and nominated deputies and is supported by the following working groups IAWG – Internal Audit Working Group GWG - Governance Working Group, FWG - Finance Working Group IWG/RIWG Investment/Responsible Investment Working Group are officer led support and overview functions.

- 7.4 The Shareholders Forum is responsible for company matters such as budgets and new admissions and is made up of mixture of elected Members and officers with one representing each scheme. For Shropshire Council as Administering Authority for Shropshire County Pension Scheme this role has been filled by the Chair of the Pensions Committee.
- 7.5 A number of the decisions of the company are reserved matters and require 100% approval to pass, examples of such matters include budgets and the admission of new partners.
- 7.6 The recent government response to the LGPS “Fit for the Future” consultation reduced the number of pooling companies across the country to six abolishing Access and Brunel pooling partnerships from 31st March 2026. This has created a position where 21 pension authorities are looking to join one of the three pooling companies designated by government as open to new clients. LGPS Central was one of the selected three pooling companies allowed to take on new authorities.
- 7.5 The 21 orphaned pension funds have to provide initial indications as to their intentions by the end of July and a formal response to government by the 30th September 2025. This tight timescale has created a lot of pressure on the number of meetings and the number of decisions required from the Shareholders Forum between now and the 31st March 2026.
- 7.8 As a result of these circumstances we are reviewing the delegations to ensure that the Chair of Pensions Committee is appropriately supported and that our current arrangements allow timely decisions to be reached outside the scheduled September 2025 and February 2026 general meetings of the forum.
- 7.9 There are no proposals to change representation on the Joint Committee at this time. The Joint Committee is entirely made up of elected representatives from each owning authority and reviews client-side issues rather than direct company issues.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Scheme of Delegation, Council 22 May 2025

Local Member: All

Appendices [Please list the titles of Appendices]

None

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