



Date 19 June 2026

Item

8

Public

## Governance Report

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<b>Cabinet Member (Portfolio Holder):</b>			

### 1. Synopsis

- 1.1. This report provides information regarding regulatory breaches arising from 1 April 2025 to 31 March 2026 that have been recorded in the breaches log. (Appendix A).
- 1.2. This report will also inform the Committee of any stage 1 or stage 2 appeals which have been received under the internal dispute resolution procedure (IDRP).
- 1.3. Fund officers have a review cycle for fund policies, policies that have been reviewed in the last quarter and require approval by Committee with also be included in this report.

### 2. Executive Summary

- 2.1. There have been no breaches recorded this quarter which the fund has deemed 'materially significant' to require reporting to the Pensions Regulator.
- 2.2. 4 IDRP cases have been received and completed up to 31 March 2026.
- 2.3. Fund Officers have reviewed and updated several Policies examined the Conflicts of Interest Policy (Appendix B) and have incorporated references to members of the Pensions Committee. This inclusion aligns with good governance recommendations, which require that funds establish their own policy instead of relying solely on the Administering Authority's policy.
- 2.4. The Fund has established a specific retention policy for data that is maintained for the purpose of providing pension benefits. (Appendix C)

- 2.5. Fund Officers have revised the data improvement strategy and work plan and policy for 2025-2027, considering the tasks needed to update member addresses in preparation for the pensions dashboard. (Appendix D)
- 2.6. Fund Officers have reviewed the Communications Policy and updated the document to reflect new and current practices. (Appendix E)
- 2.7. As part of the annual review process, the Reporting Breaches Policy has been reviewed and no updates were required.

### 3. Recommendations

- 3.1. Members are asked to note the content of Appendix A; breaches recorded from April 2025 to March 2026
- 3.2. The Committee is asked to approve the following fund policies:
  - Conflicts of Interest Policy (updated) (Appendix B)
  - Data Retention Policy (new) (Appendix C)
  - Data improvement Strategy and workplan 2025-27 (updated) (Appendix D)
  - Communication Policy (updated) (Appendix E)

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk Management  
By ensuring the policies and legislation mentioned in this report are followed and adhered to, the risks to the fund are minimised. A reporting breaches document is in place which explains the procedure to report any breaches deemed 'materially significant,' to the Pensions Regulator. Members should refer to this policy which can be found on the fund's website.
- 4.2. Human Rights Act Appraisal  
The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 4.3. Environmental Appraisal  
There is no direct environmental, equalities or climate change consequences of this report.

### 5. Financial Implications

- 5.1. By ensuring good internal controls are in place to monitor when the regulatory requirements are not met by either the fund or employers, the risk of being fined by the Pensions Regulator is minimised.

## 6. Climate Change Appraisal

- 6.1. Energy and fuel consumption: No effect  
Renewable energy generation: No effect  
Carbon offsetting or mitigation: No effect  
Climate Change adaptation: No effect

## 7. Recording Breaches

- 7.1. Section 70 of the Pensions Act 2004 imposes a requirement on the following persons to report a breach of law:
- a trustee or manager of an occupational or personal pension scheme
  - a member of the pension Board of a public service pension scheme
  - a person who is otherwise involved in the administration of such an occupational or personal pension scheme
  - the employer in relation to an occupational pension scheme
  - a professional adviser in relation to such a scheme; and
  - a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.
- 7.2. A breach must be reported to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that a legal duty relating to the administration of the scheme has not been/or is not being complied with, and where the failure to comply is likely to be of material significance to the Pensions Regulator.
- 7.3. Breaches recorded for scheme employers from 1 April 2025 to 31 March 2026 are detailed in Appendix A. Most of these breaches concern late data submissions, from employers transitioning to new payroll providers. We have been actively collaborating with the affected employers to facilitate satisfactory data submissions following these changes; however, delays have arisen due to challenges with data received from previous payroll providers. Where delays have persisted for longer than 6 months or more than 6 times in a 12-month period these are shown as red breaches. These have not been reported to The Pensions Regulator but have been escalated with the scheme employer.
- 7.4. No breaches have been recorded for the fund for 1 April 2025 to 31 March 2026
- 7.5. No breaches have been recorded on behalf of the Pension Committee and Pension Board in the period 1 April 2025 to 31 March 2026.

## 8. Internal Dispute Resolution Procedure

- 8.1. Regulations 72 to 79 of the Local Government Pension Scheme Regulations 2013 set out the formal dispute procedure. The complaints procedures official name is the Internal Dispute Resolution Procedure (IDRP).

- 8.2. The fund has received notification from an employer of 4 stage one appeals under IDRPs up to the end of 31 March 2026. These have all been upheld and relate to the decision to not pay pension benefits on ill health grounds by an employer in the fund.

## 9. Valuation Report

- 9.1. The fund valuation report has now been made available on the fund website [SCPF Valuation Report](#). It outlines the factors considered during the actuarial valuation as of 31 March 2025 and explains the decisions that were made. The purpose of the actuarial valuation is to allow the Administering Authority to:

- Assess the expected cost of benefits earned by members up to the valuation date (“liabilities”) and compare this to the assets held by the Fund.
- Decide the contributions needed to pay for future benefits being built up by active members and other running costs (the “Primary Contribution Rate”).
- Develop a suitable strategy to achieve and maintain full funding, 100% solvency—if the Fund’s assets do not match its liabilities. This includes specifying the amounts needed (the “Secondary Contribution Rate”) and the period over which these payments will be made (the “Recovery Period”).

## 10. Policy updates

### Communication Policy

- 10.1. The Communication Policy has been reviewed and updated. Changes have been made to reflect advances in our communication methods. These include increased use of email communications and online training. There have also been developments to the member online platform and general improvements in making the policy clearer to follow by all our stakeholders.

- 10.2. The committee is asked to approve the updates to this policy.

### Conflicts of Interest Policy

- 10.3. Local Government Pension Scheme (LGPS) administering authorities, as well as advisers to LGPS funds, have always faced conflicts of interest. This is because many individuals involved in managing or advising LGPS funds hold various other positions, such as being a Scheme member, serving as an Elected Member of an employer within the LGPS, or acting as an adviser to multiple LGPS authorities. Additionally, any of these people may have personal, business, or other interests that could potentially conflict—or appear to conflict—with their responsibilities regarding LGPS funds.

- 10.4. The policy was revised based on the Good Governance review's recommendations to include the responsibilities of Pension Committee members

within the Fund's specific policy, instead of relying solely on the Council Constitutions.

10.5. The committee is asked to approve the updates to this policy.

## **Data Improvement Strategy and Workplan**

10.6. This document summarises the key issues from the fund's 2025 Data Quality review and the planned actions for the next two years. The objectives are to improve member record accuracy, boost data quality scores, and prepare for the Pensions Dashboard launch. Steps include ensuring correct member records, filling data gaps like missing addresses, and minimising historical Deferred Refund records.

10.7. The plan will be reviewed on a regular basis to monitor progress and completion of improvements.

10.8. The Committee is asked to approve the strategy and workplan.

## **New Policy**

### **Data Retention Policy**

10.9. The Fund, as a data controller, must adhere to data minimisation and storage limitation principles following data protection laws. Personal data must be adequate, relevant, and restricted to what is necessary, and should only be kept for as long as it serves its intended purpose. Some records are kept either due to legal requirements or because they may be needed later, such as for calculating benefits or handling possible legal claims within the statutory time limit. This policy provides an overview of how the Fund manages personal data in compliance with these standards, rather than relying exclusively on the Council's policy.

10.10. The committee is asked to approve this policy.

## **11. Fit for the Future – New Governance Requirements**

11.1. Fund Officers have been engaging with advisors to address the necessary actions for the Fund in response to the updated governance requirements introduced by the Fit for the Future regulatory changes which have now been passed.

11.2. A workplan is being developed, with updates provided to the committee at future meetings. Here is a simple timeline of requirements:

<b>Date / Deadline</b>	<b>Requirement</b>	<b>Key Action</b>
<b>1 April 2026</b>	Pool standards expected	Finalise agreements
<b>30 June 2026</b>	Regulations in force	Start compliance + review guidance
<b>30 Sept 2026 (ongoing expectation)</b>	Strategy development phase	Prepare investment strategy
<b>31 Dec 2026</b>	Senior Officer + Independent Person	Appoint roles
<b>Within 3 months of pool entry</b>	Assets pooled	Complete transition
<b>31 March 2027</b>	Investment strategy deadline	Publish ISS
<b>30 Sept 2027</b>	Pool AIFM status	Ensure compliance
<b>Every 3 years</b>	Independent Governance Review	Procure independent advisor to complete review before next valuation (2028)

11.3. The fund already has an LGPS Senior Officer, but work needs to be done to update the Council's constitution to recognise this role within the Council structure.

11.4. Work is underway on the review and updating of the Investment Strategy, with a draft version being presented to committee.. Following this the strategy will be shared with The Local Pension Board and scheme employers before returning to committee for approval later in the year.

11.5. We await further guidance regarding the Independent Governance Review (IGR) before we look to procure a provider for this.

## 12. Training

12.1. A survey was issued to both Committee and Board members on the 24 February 2026 to gather information on the level of knowledge across administration, investments, and governance. Fund Officers have reviewed training needs for this year and have planned training accordingly to support both the Board and Committee.

12.2. It is extremely important that all members of the Committee and Board attend the training that is provided to them, as this is essential to support in the understanding and decision-making process. Fund Officers record attendance and completion of training and this is reported in the fund's annual report and to both Chairs so that any issues with attendance can be addressed.

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

Governance Report March 2026

**Local Member:**

**Appendices**

Appendix A - Record of Breaches April 2025 to March 2026

Appendix B – Conflicts of Interest Policy June 2026

Appendix C – Data Retention Policy June 2026

Appendix D - Data improvement Strategy and workplan 2025-27

Appendix E - Communication Policy