

WIRRAL COUNCIL

PENSIONS COMMITTEE

14 JANUARY 2009

REPORT OF THE DIRECTOR OF FINANCE

GOVERNANCE COMPLIANCE STATEMENT

1. EXECUTIVE SUMMARY

- 1.1. This report provides details of the Statutory Guidance issued on Governance Compliance Statements by the Department for Communities and Local Government (DCLG) on 3 December 2008 and the results of consultation undertaken with Employee Representatives regarding their role in relation to pensioners and deferred pensioners.

2. BACKGROUND

- 2.1. The Pensions Committee previously considered this matter on 29 September 2008 (Minute 36 refers) when I reported that the DCLG had issued draft statutory guidance on governance compliance.
- 2.2 The final Statutory Guidance on Governance Compliance was circulated to Administering Authorities by the DCLG under cover of its letter dated 3 December 2008. (Appendix 1 attached).

At the meeting held on 29 September 2008 the Committee was informed that although Merseyside Pension Fund is compliant with the majority of the draft statutory guidance it did not fully comply in the following areas: -

- Confirmation of arrangements for representation for pensioner and deferred members.
- Consolidated documentation to ensure Members of the Pensions Committee are fully aware of the status, role and function they are required to perform.
- Documentation on the policy of voting rights for Committee Members including justification for any restrictions.
- Documentation on the policy for training, facility time and reimbursement of expenses for all Members of the Committee.

3. UPDATE ON PROGRESS MADE WITH ACHIEVING FULL COMPLIANCE

- 3.1. The Committee has previously agreed provision for three employee representatives nominated by trade unions who currently have observer status (without voting rights).
- 3.2. One of the issues to be addressed in order for MPF to achieve full compliance was whether it would be appropriate and whether the employee representatives would be prepared to accept that their role should encompass representation for pensioner and deferred members.
- 3.3. I have held discussions with the two employee representatives currently appointed to the Committee and they have both agreed to undertake the task of representing the interests of pensioner and deferred members. This fact will be publicised to members via the website and Scheme newsletters.
- 3.4. Having regard to the results of the consultation with stakeholders last year as to whether voting rights should be extended to employee representatives, Committee agreed to retain for the time being the current arrangements in respect of observer status for employee representatives and this fact needs to be set out when the Compliance Statement is next updated.
- 3.5. Further work is still required to produce consolidated documentation which clearly sets out the existing policy on training, expenses and the status and role of Committee Members.
- 3.6. The deadline for the publication of a Governance Compliance statement had been postponed by the DCLG until 1 November 2008. MPF and a number of other administering authorities have already submitted compliance statements to the DCLG based on the original draft guidance and this will be updated as soon as the outstanding required documentation changes are completed.

4. FINANCIAL IMPLICATIONS

- 4.1. There are none directly arising from this report.

5. STAFFING IMPLICATIONS

- 5.1. There are none arising from this report.

6. EQUAL OPPORTUNITY IMPLICATIONS

- 6.1. There are none arising from this report.

7. COMMUNITY SAFETY IMPLICATIONS

- 7.1. There are none arising from this report.

8. HUMAN RIGHTS IMPLICATIONS

- 8.1. There are none arising from this report.

9. **PLANNING LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are none arising from this report.

10. **LOCAL AGENDA 21 IMPLICATIONS**

10.1. There are none arising from this report.

11. **MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising from this report.

12. **BACKGROUND PAPERS**

12.1 DCLG letter dated 3 December 2008 - LGPS Governance Compliance Statements - Statutory Guidance.

13 **RECOMMENDATION**

13.1 That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE