

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **FLINTSHIRE COUNTY COUNCIL**

**DATE:**                 **WEDNESDAY, 30 APRIL 2014**

**REPORT BY:**         **HEAD OF LEGAL AND DEMOCRATIC SERVICES**

**SUBJECT:**             **CLWYD PENSION FUND GOVERNANCE**

**1.00**   **PURPOSE OF REPORT**

1.01   For County Council to agree changes to the governance arrangements for the Clwyd Pension Fund recommended by the Council's Constitution Committee.

**2.00**   **BACKGROUND**

2.01   At its meeting on the 26 March 2014 the Constitution Committee considered a report from the Head of Finance proposing changes to the governance arrangements to the Clwyd Pension Fund. A copy of that report is attached as Appendix A. Appendix 2 sets out the proposed changes to the Constitution. The main change is the creation of a Pensions Committee. There are also changes to officer delegated powers and minor changes to the Financial Procedure Rules.

**3.00**   **CONSIDERATIONS**

3.01   As explained in paragraphs 2.05 and 2.06 of Appendix A, the new governance structure reflects guidance given by the Secretary of State on best practice. Whilst a governance health check had recommended such changes in 2010, paragraphs 2.07 and 2.08 of Appendix A explain why it was not previously the right time to implement such changes.

3.02   Whilst the recommendations in the report received overwhelming support at the Constitution Committee two considerations were raised on the composition of the committee.

3.03   A Member raised why Flintshire would be represented by five members of the committee with Wrexham and Denbighshire only having one representative each. This is a reflection of Flintshire's position as the administering authority for the Clwyd Pension Fund first established by the Local Government Reorganisation legislation in 1996. The proposed committee is a Flintshire committee not a joint committee with Wrexham and Denbighshire, albeit it is recognised

best practice for Pension Fund Committees to include some employer representation whilst not taking away the overall responsibility of the administering authority. The four members of the committee that are not Flintshire Councillors are technically co-opted members of the committee with voting rights.

3.04 The second consideration raised at the Constitution Committee was in relation to the availability of substitutes for the five Flintshire members of the committee. Provided such members have had the requisite training on pension matters it had always been the intention to allow such substitutes. This is now reflected in paragraph 1.2 (a) (vi) of appendix 2.

3.05 Section 3.01 of the report refers to delegation of responsibilities to the Head of Finance. The report to the Constitution Committee was written prior to the Council agreeing its new organisational model and senior management structure. A report seeking approval to revised delegations across all Council functions will be presented to Council on 20<sup>th</sup> May. This will include revised delegations for the Pension Fund to reflect the roles of the Chief Officer for People and Resources and the Corporate Finance Manager as the Council's Chief Finance (S151) Officer, which are currently being worked through. Once approved, the revised officer delegations will be reflected in the governance arrangements for the Clwyd Pension Fund .

#### **4.00 RECOMMENDATIONS**

4.01 That Council agrees the creation of the Clwyd Pension Fund Committee as outlined in appendix 2 with effect from the annual meeting on the 20 May 2014.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The four co-opted members on the committee will be entitled to an allowance of £99 per half day meeting. These costs will be met from the Clwyd Pension Fund.

#### **6.00 ANTI POVERTY IMPACT**

6.01 None as a result of this report.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None as a result of this report.

#### **8.00 EQUALITIES IMPACT**

8.01 None as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 As outlined in paragraph 2.10 of Appendix A.

**11.00 CONSULTATION UNDERTAKEN**

11.01 As outlined in paragraph 2.10 of Appendix A.

**12.00 APPENDICES**

12.01 Appendix A - Report to the Constitution Committee 26 March 2014

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

CIPFA Health Check for Clwyd Pension Fund  
Clwyd Pension Fund Panel Report 25 February 2014  
Local Government Pension Scheme Regulations 2013

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