

Pensions Committee Meeting

Wednesday, 7 December 2016

Dear Councillor

PENSIONS COMMITTEE - WEDNESDAY, 7 DECEMBER, 2016

Enclose, for consideration at next Wednesday, 7 December, 2016 meeting of the Pensions Committee, is the appendix to the following report that now highlights the amendments made to the terms of reference.

Agenda No Item

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| 10 | Investment Pooling (Pages 3 - 8)
[To consider changes required to the operational and governance arrangements for West Midlands Pension Fund following the recent amendment of the LGPS Investment Regulations] |
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If you have any queries about this meeting, please contact the democratic support team:

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Pensions Committee**Terms of reference****Delegations to the Pensions committee**

1. To exercise all those functions of City of Wolverhampton Council which are required to be performed by it in its role as Administering Authority for the Local Government Pension Scheme under the Public Service Pensions Act 2013 (and any associated legislation) adhering to the principles required by Statutory Guidance and the Code of Practice issued by the Pensions Regulator.
2. Under Section 4 of the Public Service Pensions Act 2013 the Scheme Manager for the Administering Authority shall be the Pensions Committee. The Administering Authority shall at Full Council every year approve the delegation of Scheme Manager under Section 101 of the Local Government Act 1972 to the Pensions Committee and appoint representatives to sit on the Committee for that year.
3. To exercise all the general powers and duties of the Council granted to the Cabinet and Cabinet Panels and Regulatory or other Committees provided that those parts of the Council's Financial Procedure Rules and Contracts Procedure Rules which relate to the acquisition and disposal of land, Fund Investment transactions, custody of assets, appointment of advisors, approval of expenditure and their related activities, shall not apply in relation to such acquisitions and disposals and expenditure in connection with the Pension Fund.
4. To ensure that equality issues are addressed in the development of policies and the provision of services and are appropriately monitored.
5. To ensure that consideration is given to the impact which the Committee's policies and provision of services have with regard to environmental matters.

Pensions Committee terms of reference

6. The Council's financial procedure rules, contract procedure rules and internal financial limits concerning procurement do not relate to the Pensions Committee who, by delegation from Council, has authority to enter into contracts, procure services, purchase goods and manage financial investment through the internal controls of the West Midlands Pension Fund and in compliance with all applicable legislation.

7. The Pensions Committee may call upon the Pensions Board to seek assistance on matters to be discussed at the committee meeting. Where such assistance is sought it must be considered as part of the decision making process.
8. Any reference within the Council's constitution that refers to Council or Cabinet and includes powers relevant to the work of the Pensions Committee should be read to include Pensions Committee, including the setting of the Budget and Policy framework of the Fund.
9. The Pensions Committee shall adhere to the Standing Orders of City of Wolverhampton Council and all matters of due process so far as they do not conflict with the preceding delegation.

Membership

10. The membership of the Pensions Committee shall consist of ten City of Wolverhampton Council members, one Elected Member from each of the six District Councils and four (non-voting) trade union representatives.
11. The quorum is eight.
12. A substitution for any person appointed to the Pension Committee shall follow the Council's procedure.
- ~~13. The term of office for a person appointed to the Committee shall be for a period no shorter than one year and no longer than eight years or their term of office (where the person is an elected Councillor, whichever is the shortest). This is to ensure a consistency of knowledge within the committee and to assist with the development of knowledge and experience.~~
- 14.13. Should an elected Councillor no longer be a member of their authority, their appointment on the Committee shall cease and a further nomination will be sought from that authority.
- 15.14. The Committee shall meet a minimum of quarterly.
- 16.15. All persons appointed to the Committee will adhere to the Committee's code of conduct.
- 17.16. Persons sitting on the Committee are expected to make themselves available to attend committee meetings. Persons who fail to attend three or more events (to include committees and training) will be asked to leave the

committee and a replacement sought from their nominating body unless there are exceptional reasons for their failure to attend. Such reasons to be considered by the committee.

Chairing the Committee

~~18-17.~~ It will be the first business of the Committee at its annual meeting to receive nominations of a Chair and Vice Chair from Full Council who will sit for the term of one year.

~~19-18.~~ In the event of a tie of votes of any business to be conducted, the Chair will have the casting vote. In the circumstances where the vote is to appoint a new Chair, the outgoing Chair will have the casting vote in the event of a tie.

Duties of the Pension Committee

~~20-19.~~ The Pensions Committee to act as the Pension Scheme Manager for the Administering Authority in the management and administration of the local government pension scheme for the West Midlands.

~~21-20.~~ To adhere to the principles set out in the Statutory Guidance and Codes of Practice issued by the [Scheme Advisory Board and the Pensions Regulator](#) and undertake its duties in compliance with the obligations imposed on it.

~~22-21.~~ To provide independent assurance to members of the fund of the adequacy of the risk management framework and the associated control environment, responsible for the fund's financial and non-financial performance to the extent that it affects the fund's exposure to risk.

~~23-22.~~ To administer all aspects of the West Midlands Pension Fund on behalf of City of Wolverhampton Council [and the West Midlands Integrated Transport Authority Pension fund under S101 Local Government Act 1972 delegation from the Combined Authority.](#)

~~24-23.~~ To determine staffing structures, changes to vacant posts or the establishment of new posts and to receive reports on matters of staffing and employment of officers within the Fund.

~~25-24.~~ To ensure that equality issues are addressed in the development of policies and the provision of services and are appropriately monitored.

25. To communicate with members of the fund keeping accurate records and publishing information as required about the fund and its work.

26. To monitor investment activity and the performance of the Fund(s)

27. The selection, appointment and dismissal of an investment pool operator to manage the assets of the Fund

28. To determine the asset allocation/investment strategy of the WMPF/WMITA Pension Fund

29. Determining what the Fund requires the pool to provide to enable it to execute its investment strategy effectively

30. Receiving and considering reports and recommendations from the Joint Committee in relation to LGPS Central Ltd

31. Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling

32. Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively

33. Receiving recommendations from the Practitioners Advisory Forum on the performance and management of LGPS Central Ltd

26-34. Reviewing and agreeing the Investment Strategy Statement, Fund Strategy Statement, Administration Policy, Pension Administration Strategy, Governance Compliance Statement, Communications Statements and publish a Pension Fund Annual Report

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Training

27-35. In compliance with the requirements of the Public Service Pensions Act 2013 persons appointed to the Committee shall undertake at least 3 training session per year. The first training session will be organised within 28 days of their appointment to the Committee with subsequent training scheduled after three months of appointment and after nine months of appointment.

~~INVESTMENT ADVISORY SUB-COMMITTEE~~

~~28. Under Section 101 the Pensions Committee has delegated responsibility for investments to the Investment Advisory Sub-Committee. All persons~~

~~appointed to the Sub-Committee will adhere to the Committee's Code of Conduct~~

MEMBERSHIP

- ~~29. The membership of the Sub-committee shall be drawn from the Pensions Committee in proportionate numbers.~~
- ~~30. The quorum shall be five.~~
- ~~31. The substitute for any persons appointed to the Sub-committee shall follow the Council's procedure.~~
- ~~32. The Sub-committee shall meet a minimum of quarterly.~~
- ~~33. In compliance with the legislative requirements of knowledge and understanding, persons appointed to the Committee are expected to make themselves available to attend committee meetings. Persons appointed who fail to attend three or more events (to include committees and training) will be asked to leave the committee and a replacement sought from their nominating body unless there are exceptional reasons for their failure to attend. Such reasons to be considered by the committee.~~

CHAIR

- ~~34. It will be the first business of the Sub-committee at its annual review to nominate a Chair who will sit for the term of one year.~~
- ~~35. In the event of a tie of votes of any business to be conducted, the Chair will have the casting vote. In the circumstances where the vote is to appoint a new Chair, the outgoing Chair will have the casting vote in the event of a tie.~~

ROLE

- ~~36. To advise on the establishing of policies in relation to investment management including the appointment and approval of terms of reference of independent advisers to the Fund.~~
- ~~37. To monitor investment activity and the performance of the Fund.~~
- ~~38. To oversee the administrative and investment management functions of the Pension Fund.~~

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