

## Pension Committee Terms of Reference

Contact Officers

Nancy Leroux, 01895 250353

Papers with this report

### REASON FOR ITEM

Officers were asked by Democratic Services to review the Terms of Reference of the Pensions Committee and to take a draft of any proposed changes to a future Pensions Committee. This report recommends a few changes to reflect changes in legislation and the introduction of pooling of LGPS assets.

### OPTIONS AVAILABLE TO PENSION COMMITTEE

- 1. Committee is asked to consider the proposed changes to the Terms of Reference (ToR), identify any additional changes and to agree any changes.**
- 2. Subject to changes proposed, the Terms of Reference will be submitted to Council for approval.**

### Information

Section 8.06 of the Council's Constitution relates to the Terms of Reference of the Pensions Committee. A copy of that section is included with this report with proposed changes highlighted in italics.

Point (B) 1 has been amended to include Committee's responsibility to agree the strategic asset allocation. This responsibility is not separately identified within the current ToR, but as central government has made it clear that with the advent of pooling this remains the responsibility of the Administering Authority, it makes sense to emphasise this duty.

Point (b) 2 has been amended from Statement of Investment principles to Investment Strategy Statement to reflect new legislation effective from 1 April 2017.

New Points (b) 4 & have been drafted to identify new responsibilities in relation to investment with the London Collective Investment vehicle.

Point (b) 10 to be deleted as legislation makes this a requirement where current members are transferred under TUPE legislation and the contractor does not provide a pension arrangement broadly comparable to the LGPS. If agreed later points will be renumbered.

## 8.06 Pensions Committee

### (a) Membership

Councillor membership of the Committee will be 5, will be politically balanced and have voting rights. In addition, the Independent Adviser and Investment Consultant would normally attend meetings along with relevant officers in an advisory, non-voting capacity.

### (b) Terms of Reference

1. To review and approve all aspects of investment policy relating to the Pensions Fund, including *agreeing the strategic asset allocation and* authorisation or prohibition of particular investment activities.
2. To review the *Investment Strategy Statement* and amend it when necessary.
3. To agree benchmarks and performance targets for the investment of the Fund's assets and review periodically.
4. *To agree to transfer funds into mandates managed by the London Collective Investment Vehicle (CIV) as soon as appropriate opportunities become available.*
5. *To receive regular reports from the London CIV and to agree and resultant actions from a review of the investments held with the London CIV.*
6. To keep the performance of the investment managers under regular review and extend or terminate their contracts as required. To appoint new managers when necessary.
7. To agree policy guidelines for the exercise of voting rights attached to the Fund's shares.
8. To review the appointment of specialist advisors and service providers and make new appointments as necessary.
9. To consider the overall implications of the Council's policies for employment and benefits issues and their impact on the Pension Fund and agree any strategic changes.
10. ~~To authorise the admission of other bodies to the Fund.~~
11. To approve the appointment of persons to hear appeals under the Internal Dispute Resolution Procedure.
12. To consider issues concerning the administration of the Fund, including approving responses to consultation papers.
13. To consider and decide whether to approve proposals for discretionary enhanced early retirement packages for officers.
14. The Corporate Director of Finance be authorised to take urgent decisions in relation to the pensions fund and investment strategy on behalf of the Committee, reporting back to the Pensions Committee any exercise of these powers for ratification.