

## Pension Fund Committee

16 June 2022

### Pension Fund Committee Review of Terms of Reference and Training Needs



## Report of Paul Darby, Corporate Director of Resources

### Purpose of the Report

- 1 To review the terms of reference for the Pension Fund Committee.

### Executive summary

- 2 The Pension Fund Committee Terms of Reference clearly define the responsibilities of the Committee, setting out its Objectives, Authority and Composition. The Terms are reviewed annually.
- 3 Whilst the Terms remain relevant and fit for purpose, an amendment is proposed to allow for the extension of the membership period for those co-opted to the Committee from non-local authority bodies.

### Recommendation(s)

- 4 It is recommended that Members agree:
  - (a) the Terms of Reference as detailed in Appendix 1, and approve the amendment to 3.4 allowing for an extension of membership term for Committee representatives from Colleges, Other Statutory Bodies and Admitted Bodies (“other body representatives”),
  - (b) to the extension of the Committee’s existing other body representatives,
  - (c) that the Terms continue to be reviewed at least annually,
  - (d) to complete the self-assessment questionnaire included in Appendix 2, and return to the Head of Pensions, Paul Cooper
  - (e) that the Head of Pensions arranges training as necessary based upon the training needs identified.

## **Background**

- 5 The Pension Fund Committee has responsibility delegated from the Council to discharge the powers and duties arising from Section 7 of the Superannuation Act 1972 and Regulations made following from this, including:
  - approval of applications from bodies seeking admission to the Local Government Pension Scheme;
  - appointment of external investment managers and advisers.
  
- 6 The Terms of Reference clarify the responsibilities of the Pension Fund Committee and ensure that they are clearly defined and understood.

## **Terms of Reference**

- 7 The Terms of Reference are attached at Appendix 1 and are intended to provide clarity to the members of the Pension Fund Committee in a number of areas:
  - High-Level Objective of the Committee,
  - Authority of the Committee,
  - Composition of the Committee,
  - Opportunities in Private Markets,
  - Detailed Terms of Reference to achieve the High-Level Objective,
  - Meetings,
  - Programme of work,
  - Performance and Review.
  
- 8 The Terms of Reference determine the future programme of work for the Pension Fund Committee and the frequency of reporting on the individual term of reference is included.
  
- 9 It was previously agreed that the Terms of Reference were to be reviewed at least annually to ensure that they include any changes, particularly with reference to amendments to the Authority delegated from the County Council through the County Council's Constitution.

- 10 Due to the time needed to build the required knowledge and understanding, the difficulty in filling these positions, and to better enable the Committee to retain the skills and experience of representatives from other bodies, it is proposed that the Terms are amended to allow for an extension to the period of membership for such representatives. As such, it is proposed that 3.4 of the Terms is amended to read:

*“Representatives of the colleges, other statutory bodies, and admitted bodies are selected by the Committee from nominations made by the employers and are appointed for 4 years with the option for an extension for a second 4 year term of office, subject to agreement of the Committee.”*

- 11 Subject to the agreement to an amendment to 3.4 of the Terms, it is proposed that the membership of the current representatives from other bodies is extended for a period of two years in order that the Committee retain those representatives' skills and experience.

## **Training**

- 12 The Terms of Reference outline that in order to take investment decisions members of the Committee must have sufficient expertise and will therefore undertake appropriate training. As such, Committee members are asked to complete a self-assessment training needs analysis questionnaire in order to identify areas where further training may be required. A copy of the training needs questionnaire is included at Appendix 2.
- 13 The training needs analysis asks Members to rate themselves in a wide range of knowledge areas according to the following scale:
- 1 = I have no knowledge and understanding of this area
  - 2 = I have a basic knowledge and understanding of this area
  - 3 = I have appropriate knowledge and understanding of this area
  - 4 = I have a good knowledge and understanding of this area
  - 5 = I have an excellent understanding and am confident in this area
- 14 Analysis of the self-assessments will identify areas of training needs, and how these needs could best be met.

## **Author(s)**

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