

## **Pension Fund Committee**

**24 June 2024**

## **Pension Fund Committee Review of Terms of Reference**



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### **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, it is good governance to evaluate the Terms periodically.

#### **Recommendation(s)**

- 4 Members are asked to review the Terms of Reference, and:
  - (a) Provide any comments on the Terms,
  - (b) Authorise the Corporate Director of Resources to publish the Terms, subject to any comments of the Committee, and
  - (c) Agree that the Terms continue to be reviewed at least annually.

## **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 was previously agreed that the Terms were amended to allow for an extension to the period of membership for such representatives.

11 As such, the Terms allow for:

*“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.”*

12 There are no material changes proposed to the Terms this year, but the frequency of reporting has been updated to reflect the Committee’s current approach.

### **Future Programme of Work**

13 Now that the majority of the Fund’s assets are pooled with Border to Coast Pensions Partnership, going forward members of the Committee should be asked to make pooling decisions less frequently. As such, this should allow scope for the Committee to consider a wider range of issues.

14 It is proposed that following an assessment against the Pension Regulator’s single code of practice, cross referencing the Terms of Reference, Officers discuss a future Programme of Work with the Chair and Vice Chair, to be brought for the Committee’s approval at a future meeting.

15 More detail on the Regulator’s Code of Practice is included in the Regulatory Update.

### **Author(s)**

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