

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
14 March 2019

PENSION FUND – CLARIFICATION OF GOVERNANCE ROLES

Purpose of the Report

1. The purpose of this report is to update Members on the progress made by a focus group of Committee, Board Members & officers of the Fund, following the identification within Hyman Robertson's effectiveness review report that the roles of the Wiltshire Pension Fund Committee & Board require clarification & restating.

Background

2. The Effectiveness review highlighted a number of overarching recommendations with regard to the roles of each group. These were;
 - Clarification to be given to the Committee on the role of the Board & why both groups have distinctively different roles & objectives
 - Ensuring that the Fund's objectives are clearly defined & processes are put in place to monitor them & report on progress
 - That the structure of meetings should be reviewed & that all parties would consider the way in which they need to communicate with each other
 - That the terms of reference would be restated for both the Committee & the Board,
3. Following discussion at the Committee meeting held on 12th December it was agreed that a focus group would be set up to consider the contents of the report and determine what practical steps should be taken to mitigate the findings identified. A meeting was held on 23rd January 2019.

Considerations for the Committee

4. The focus group determined the following outcomes during their meeting;

Roles & objectives

- **Committee** – Takes full decision-making responsibility for all aspects of the administration & management of the Fund. Ensuring current & future pension liabilities can be met through the investment of fund assets, driving fund performance & risk management.
- **Board** – Is an independent statutory body with an advisory & scrutiny remit. It has no decision-making powers but will seek to hold the Committee to account in respect of its legal, compliance, governance & management of the Fund. If requested, it can also undertake research on behalf of the Committee.

Actions being taken by the focus group

- Terms of reference (ToR) – the Committee, Board & Investment sub-Committee's ToRs will be reviewed to ensure that they remain relevant to the statutory purpose of each group, harmonise the purpose of each group with the other groups & either increase the scope or become less prescriptive in nature so as to enable each group's practical operation.

- Communication – To enhance the communication between all groups by;
 - 1) Reviewing the design of the LPB Annual Report to actively indicate whether a Board recommendation has been acted upon & specifying a reason if not;
 - 2) To encourage email communication outside of set meetings. This communication will be underpinned by a monthly update report issued by both the Head of Pensions, Administration & Relations & Investment Manager covering their technical areas. It will be issued to all Members & key officers, and;
 - 3) To foster cross-observation by Members, by attending each other's meetings.
 - Agenda setting & meetings – Agendas will be set in a manner which clarifies the roles & objectives of each group & which will minimise duplication, whilst embracing the contribution made by the other group(s). To facilitate this arrangement separate agenda setting meetings will be held & in addition, separate Chair's briefings to the main quarterly meetings will also be held at a different venue.
 - Developing a work programme – A unified, dynamic & ongoing programme of work will be maintained by the Committee, monitoring the progress of the Fund's objectives & which will prompt requests for support from the Board. This programme of work will be supported by regular meetings of both Chair's & senior officers at which policies will be developed & delegations agreed.
 - Induction training – Future training will include commentary on the different statutory roles of the Committee & Board & identify the combined needs of the Members of both groups, as well as specify the distinct and separate needs between each group.
5. At the Local Pension Board meeting in October 2018 the Board reviewed the Fund's delegation strategy. As the basis for comparing & contrasting the roles & objectives of each group the delegation strategy will also be reviewed on approval of each group's updated ToR. See Appendix 1.

Conclusions

6. The focus group believe that the considerations addressed will lead to a better & stronger cooperation between the Committee & the Board. Clearly defining the roles & objectives of each group & with a greater level of communication, will also remove any uncertainty which may have historically developed.

Environmental Impact

7. There is no environmental impact from this report.

Financial Considerations

8. There are no immediate financial considerations.

Risk Assessment

9. There are no risks identified at this time.

Legal Implications

10. There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

11. There are no implications at this time.

Proposals

12. The Committee are asked to note the assessment made by Officers.

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