

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD
11 October 2018

PENSION FUND – FUND DELEGATIONS & CONTROLS

Purpose of the Report

1. This report has been prepared to set out the existing documented interactions between the relevant Committees and the delegations to Officers.

Background

2. Section 101 of the Local Government Act 1972 enables a local authority to arrange for the discharge of its function by a committee, a sub-committee or an officer of the authority.
3. The constitution (Part 3B, paragraph 2.5) states that the Local Authority will maintain Wiltshire Pension Fund (WPF) Committee which will:
“exercise the functions of the Council as Administering Authority under the Local Government Superannuation Act and Regulations and deal with all matters relating thereto”
The documented delegations of the Fund are derived from the committee.
4. While Part 2, Article 12.1 of the Constitutions states:
“The council may engage such staff (referred to as officers) as it considers necessary to carry out its functions.”
And Part 2, Article 12.7 of the Constitution states:
“... The chief finance officer will have responsibility for the administration of the financial affairs of the council including:
...the proper administration of the authority’s financial affairs, including the Wiltshire Pension Fund...”
5. The Chief Finance Officer (Director of Finance and Section 151 officer) is the most senior officer responsible for pension matters.
6. Senior Officers are able to further delegate decision using a scheme of sub-delegation. The Section 151 officer has used this provision and an abridged version (dated April 2018) detailing the delegations to pensions officers is attached (see Appendix 2). In practice, most strategic decision making is undertaken by the Head of Pensions Administration and Relations and the Investment Manager.
7. To exercise its functions the WPF Committee oversees the work of officers at a high-level through receipt of committee papers and the operation of a framework of key documents, notably the Governance Compliance Statement last updated in June 2018, but also the Fund’s Business plan, Discretions policy, Funding Strategy Statement, Investment Strategy Statement, Cessations Policy, Communications strategy & Administration strategy documents.
8. Whilst retaining responsibility, the WPF Committee further delegates the management of the Fund’s investments to the Investment Sub-committee (ISC). The ISC operate in accordance with the Terms of Reference (ToR) Appendix B

9. In order to comply with the Public Services Pensions Act 2013 and the LGPS (Governance) Regulations 2015, the Council established the Local Pension Board. The Wiltshire Pension Fund Local Pensions Board (LPB) also has a ToR within the Council's constitution entitled Protocol 2 and is dated October 2015.
10. Based on the framework of key documents, & ToR's set out above, outlined in Appendix 1 is an officer produced document entitled "Guidance to delegations" which sets out the Committee's, Investment sub-Committee's & Board's cyclical responsibilities.
11. As part of the cycle of Fund delegations & controls, the LPB can review & make recommendations in relation to the maintenance of key documents, Committee & Investment sub-Committee minutes & record those recommendations within the LPB's Annual Report

Considerations for the Board

12. Following the creation of the Brunel Pension Partnership (BPP) it is noted that the Partnership does not formally form part of the WPF's framework of delegations & controls. However, the BPP Oversight Board minutes form part of the Committee & LPB Part 2 agendas.
13. In respect of the ISC ToR, Appendix B appears to be undated and consequently whilst used it does not appear to be subject to periodic review.
14. The register of sub-delegations setting out the Section 151 Officer's responsibilities is brief summary of those responsibilities which may warrant further clarification.

Conclusions

15. Whilst a framework of Fund delegations & controls clearly operates for the WPF it is recognised that changes to the operating practices of the Fund, such as the creation of the BPP will warrant changes and certain formalisations of the current delegations & controls to ensure that it remains current.
16. Furthermore, it is noted the existing officer delegations lack any significant detail and hence rely on a mutual understanding concerning the split of roles and responsibilities between officers and also between officers and the Committee.

Environmental Impact

17. There is no environmental impact from this report.

Financial Considerations

18. There are no immediate financial considerations resulting from this report.

Risk Assessment

19. There are no immediate risks resulting from this report, however risks in the longer term may present themselves should appropriate steps not be taken.

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

21. There are no implications at this time.

Proposals

22. The Board is asked to note Officer conclusions and to consider whether it would be desirable for changes to be made to the structure of delegations & controls to incorporate the BPP, either separately or as part of the ISC's ToR. Furthermore, consideration should be given to the breakdown of responsibilities outlined in the "Guidance to delegations" Appendix 1 & the register of sub-delegations to Officers Appendix 2. In particular;

- a) Clarifying where different responsibilities should sit;
- b) The flow of communications between the various parties; and
- c) The level of decision making assigned to each party.

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