

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
30 MARCH 2021

Review of Wiltshire Pension Fund Governance Compliance Statement & Investment Sub-Committee terms of reference

Purpose of the Report

1. The purpose of this report is for Members to review the updated Governance Compliance Statement and Investment sub-Committee terms of reference of the Wiltshire Pension Fund.

Background

Governance Compliance Statement (Appendix 1)

2. Under the Regulation 55 of the Local Government Pension Scheme (Administration) Regulations 2013, Local Government Pension Funds are required to set out a written statement outlining the delegations for the administration of the Fund and to keep this under review. The link to the Regulation 55 is below:

<http://www.legislation.gov.uk/ukSI/2013/2356/regulation/55/made>

3. This latest version of the Governance Compliance Statement was approved by the Pension Fund Committee on 21 June 2018.
4. Whilst the Governance Compliance Statement continues to fulfil its requirement under Regulation 55, since its last review in 2018 it has undergone significant changes in order to better reflect the Fund's compliance obligations. In particular, synchronising with;
 - a) The Pension Committee's own terms of reference approved on 21 July 2020;
 - b) The Pension Fund's Administering Authority, Wiltshire Council;
 - c) The Local Pension Board's terms of reference approved on 21 July 2020;
 - d) The Investment sub-Committee's terms of reference; &
 - e) The Brunel Pension Partnership governance arrangements.

Investment sub-Committee terms of reference (Appendix 2)

5. The Investment sub-Committee's status is that of an advisory panel to the Committee having received no direct delegation from the Administering Authority under its Constitution. Its role is therefore confined to reviewing, monitoring, implementing and providing recommendations to the Committee, the decision making body in respect of the Fund's investment strategy matters.
6. In a similar vein to the Governance Compliance Statement its terms of reference have undergone changes in order to better reflect the Investment sub-Committee's role & synchronisation of tasks with other bodies delegated with responsibilities by the Administering Authority.

Considerations for the Committee

Governance Compliance Statement

7. The Governance Compliance Statement sets out whether Wiltshire Council delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee, another body, or an officer of the authority. It further sets out the terms, structure and

operational procedures of the delegation including the frequency of any committee or sub-committee meetings.

8. It also outlines whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.
9. The attached Governance Compliance Statement is largely self-explanatory and is attached for Members' review. It is largely a factual statement, and shows the Fund is compliant with the principles of best practice guidance issued by MHCLG.

Investment sub-Committee terms of reference

10. The Investment sub-Committee's sets out the functions delegated to it by the Pension's Committee. In particular, changes to its existing terms of reference include;
 - a) It's background & purpose;
 - b) It's composition of member & appointment & removals processes;
 - c) The knowledge & understanding expectations of members; &
 - d) It's relationship with the Brunel Pension Partnership.

Financial Considerations & Risk Assessment

11. There are no financial implications for either document.
12. The review of the Governance Compliance Statement ensures the Fund is mitigating PEN008: Failure to comply with LGPS and other regulations with stakeholders.
13. The review of the Investment sub-Committee terms of reference ensures the Fund is mitigating PEN019: A lack of effectiveness arising from inadequate maintenance of the way the Local Pension Board & Investment Sub-Committee operate.

Legal Implications and Environmental Impact of the Proposal

14. There are no material legal or environmental impacts associated with these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no known implications at this time.

Reasons for Proposals

16. There is a legal requirement under the Local Government Pension Scheme Regulations for the Fund's Governance Compliance Statement to be published and it is best practice to be refreshed this on a regular basis. The need for this review being triggered by the updating of the Fund's other strategic constitutional documents & its developing relationship with other significant bodies.
17. Whilst no legal requirement exists in respect of the Investment sub-Committee terms of reference, in a similar vein to the Governance Compliance Statement the need for this review has been triggered by the updating of the Fund's other strategic constitutional documents & its developing relationship with other significant bodies.
18. The Board reviewed both documents at their meeting on 18 February 2021 making only the following recommendation. Namely that the Governance Compliance Statement should include an external assurance reference at the same time that any changes are made arising from the Scheme Advisory Board's Good Governance Review.

Proposals

19. The Committee is asked to approve the updated Government Compliance Statement & Investment sub-Committee terms of reference, noting that further changes will be made following completion of the Scheme Advisory Board's Good Governance Review.

ANDY CUNNINGHAM

Head of Pensions Administration and Relations

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Appendices:

Appendix 1 – Governance Compliance Statement

Appendix 2 – Investment sub-Committee terms of reference