

## Wiltshire Council

### Wiltshire Pension Fund Committee

30 September 2021

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#### Committee Structure and Meeting Arrangements

##### Purpose of paper

1. To propose that the Investment Sub-Committee be stood down.

##### Background

2. The terms of reference and arrangements for the Wiltshire Pension Fund Committee (The Committee) are set out in Protocol 2 of the Constitution.
3. Since July 2019 those terms of reference include specific delegations to the Investment Sub-Committee (ISC), as follows:

*13.1 Authority is delegated to the Investment sub-Committee to review, monitor, implement and provide comment on the Fund's investment strategy, but the Committee shall retain responsibility for the final approval of the Fund's investment strategy.*

*13.2 Guidance of the full scope of the Investment Sub-Committee's terms of reference are set out in its own document and can be provided by the Investment Sub-Committee.*

*13.3 Authority is delegated to the Treasurer of the Fund (or their nominated representative) to conduct urgent business between meetings, in consultation with the Chair and Vice Chair of the Committee. Any business conducted in this manner must be reported to the next ordinary meeting of the Committee. The scope of delegation is laid out in the sub-Schemes and delegations document.*

*13.4 Authority is delegated to the Chair to cast a Shareholder Vote in respect of Special Reserve Matters pertaining to Brunel Pension Partnership, following consultation with Pension Fund Officers and members of the Committee, where there is urgent business to be conducted between meetings.*

*13.5 Authority is delegated to the Head of Pensions Administration and Relations and the Head of Pension Fund Investments to prepare the Fund's budgets, although approval of the budget shall remain with the Committee*

4. The Membership of the ISC is a subset of the membership of the full Pension Fund Committee, including the Chairman, Vice-Chairman and two other Members. Under the terms of reference, the ISC is not the decision-making body and refers recommendations to the Committee.

##### Main Considerations

5. As Chairman, and bearing in mind that investment considerations are fundamental to the performance of Wiltshire's Local Government Pension Scheme, I believe the current arrangement has several shortcomings:

- (a) Papers presented to the ISC have to be reviewed a second time by the Committee;
  - (b) Despite this not all Committee members are fully sighted on investment matters since they will not have been included in the detailed background discussion of those papers and resultant recommendations.
  - (c) There is typically a two to three week delay before conclusions reached by the ISC become formal decisions which can be acted upon.
6. I would therefore propose that the ISC be disbanded. In its place, the Committee would meet more frequently with alternating agenda focus for Investment and non-investment matters.
7. Meetings with an investment focus would contain to operate in a similar fashion to the existing ISC set up but with the additional ability to make decisions, removing the shortcomings outlined in paragraph 5.
8. Non-investment meeting agendas would focus on all standard administration work, actuarial matters, employer relations, communications and all governance matters which are not specifically investment related.
9. Whilst this arrangement will mean more meetings for non-ISC members it has the important benefits of:
- (a) All members become fully involved in, and contribute to, investment decisions;
  - (b) The delay in implementing investment decisions is removed;
  - (c) The duplication of consideration of investment papers is removed;
  - (d) Committee agendas will be shortened.
10. Officers have confirmed that whilst constitutional changes will need to be approved in order to remove references to the ISC, the Committee is able to agree to revise its own meeting arrangements and that of the ISC in order to implement the proposal immediately, ahead of any formal constitutional changes being agreed.
11. Officers have also highlighted the following considerations and points in relation to this change:
- (a). At present, the Fund's Committee independent adviser contract with MJ Hudson Allenbridge operates on a basis whereby Anthony Fletcher reviews papers and attends and contributes to all main Committee and ISC meetings. In addition, for the Committee meetings, the Fund also receives additional support from specialist Administration and Governance advisers at MJ Hudson who review all papers and provide advice via Anthony (but who do not attend in person or virtually). If the Committee proceed with this change to the Committee set up, officers recommend that the Committee consider proposing an alternative advice set up with MJ Hudson for the remainder of the contract and when re-tending next year. One potential approach would be for Anthony to only provide advice at the Investment focussed Committee meetings only and one of his contracted colleagues to attend the non-investment focussed meetings instead of providing feedback via Anthony. The

current contract is due for re-tender shortly, with a new contract starting on 1 April 2021.

(b). Various Governance-related documents would need to be updated and approved to reflect the changes made. In particular, the Committee terms of reference (part of the Council's constitution) and the Fund's Governance Compliance Statement.

(c). There will need to be an increased emphasis on Committee training, as more Committee members will be taking part in the more detail discussions on investments.

### **Proposal**

12.I therefore ask the Committee to agree:

- (a) That the Investment Sub-Committee should be stood down with immediate effect, to be replaced with an equal number of additional meetings of the Wiltshire Pension Fund Committee, leaving eight full Committee meetings per year in total.
- (b) That the Wiltshire Pension Fund Committee meets with a separately-focussed agenda on alternate dates: An investment agenda and a non-investment administration agenda. Exceptions for urgent items will still be able to apply where it is necessary to break this cycle.
- (c) To request the Standards Committee progress recommended changes to the constitution as appropriate.
- (d) Delegate to the Chair and officers to explore and agree any desirable changes with MJ Hudson which are possible under the existing contract (and to make alterations when re-tendering).

**Councillor Richard Britton**

**Chairman - Wiltshire Pension Fund Committee**

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Reported Dated 21 September 2021

[Protocol 2 of the Constitution](#)