

**Wiltshire Council
Constitution
Protocol 2
Terms of Reference of the
Wiltshire Pension Fund
Committee and Local
Pension Board**

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PROTOCOL 2A: TERMS OF REFERENCE OF THE WILTSHIRE PENSION FUND COMMITTEE

1. Introduction

1.1 This document sets out the terms of reference of the Wiltshire Pension Fund Committee of Wiltshire Council (the “Administering Authority”) being the scheme manager as defined under Section 4 of the Public Service Pensions Act 2013.

1.2 The Committee is constituted as a Committee of the Administering Authority under Section 101 of the Local Government Act 1972 and has been assigned general duties, responsibilities and powers assigned to any sub-committees or officers under Wiltshire Council’s constitution.

2. Interpretations

2.1 The following terms have meanings as outlined below:

2.1.1 **‘the Regulations’** means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time);

2.1.2 **‘Relevant Legislation’** means relevant overriding legislation as well as the Pension Regulator’s Codes of Practice as they apply to the Administering Authority notwithstanding that the Codes of Practice are not legislation;

2.1.3 **‘the Scheme’** means the Local Government Pension Scheme in England and Wales;

2.1.4 **‘Pension Fund Officers’** shall mean the ~~Corporate Director~~Director, Finance and Procurement (S.151 Officer), Resources, and Head of Wiltshire Pension Fund, ~~and/or Pensions Administrations Lead~~ as appropriate for the context, in line with their general roles and responsibilities;

2.1.5 **‘the Board’** means the Local Pension Board established under Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended) and as set out in Protocol 2B of this constitution; and

2.1.6 **‘Treasurer of the Fund’** shall mean the ~~Corporate Director,~~ Resources Director, Finance and Procurement, or nominee where any conflict may arise.

3. Statement of purpose

3.1 The Committee is to act on behalf of the Administering Authority in its role as a scheme manager of the Scheme.

3.2 In particular:

3.2.1 To have full decision-making responsibility on all aspects of the administration and management of the pension fund;

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- 3.2.2 The power to delegate Pension Fund functions to Pension Fund officers, ~~the Investment Sub-Committee~~ and other service areas within the Administering Authority as the Committee may consider appropriate to ensure the smooth administration of the Pension Fund having regard to the Scheme of Delegation to Officers as set out in Part 3D of the Wiltshire Council Constitution;
- 3.2.3 the Committee shall work with the Board considering all their recommendations and determine any appropriate action(s) to be taken, or provide a reason to the Board for not enacting a recommendation made by them; and
- 3.2.4 maintain a business plan and other key Wiltshire Pension Fund documents such as the Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement to facilitate the delegation to officers of key strategic functions of the Scheme.

4. Duties of the Committee

4.1 The Committee should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty all Committee members shall make declarations on the register of interests of the Administering Authority in accordance with its Code of Conduct.

5. Membership

5.1 ~~The chair and vice chair will be appointed from one of five of the voting Wiltshire Council Members. The Chairman appointed under Paragraph 7 should be a Member of the Administering Authority.~~

5.2 Committee membership may be terminated prior to the end of the Member's term of office if:

- 5.2.1 there exists a conflict of interest in relation to a Committee member which cannot be managed within the internal procedures of the Committee;
- 5.2.2 a Committee member becomes incapable of acting;
- 5.2.3 a member representative ceases to be a member of the body or scheme on which their appointment relied;
- 5.2.4 an employer representative ceases to hold the office, employment or membership of the body on which their appointment relied; and/or
- 5.2.5 a Member ceases to represent their ~~constituency~~ Division.

6. Recruitment process and term lengths

Elected Member Representatives

~~6.1~~ Members elected from both Administering Authority and Swindon Borough Council will be appointed by Wiltshire Council's Full Council.

~~6.16.2~~ Full Council should consider their appointments in terms of the Member's relevant experience of pension related matters and their willingness to exercise this specific function on behalf of the Administering Authority.

Employer Representatives

~~6.26.3~~ The voting Employer Representatives will serve a four-year fixed term from appointment. On expiry of the four-year term, applications for the position will be sought (from the incumbent and other applicable employer bodies) and an appointment process will be undertaken by the Committee. Should more than one

Commented [KE1]: Para 7 on appointment of chairman et al does not restrict who may be appointed - in practice Wiltshire Council has delegated back to committee the ability to elect a vice-chairman, who has been from Swindon. This wording would make explicit the chairman must be from wiltshire council but leaves flexibility to appoint the vice-chair as it wishes

application be received for the role, appointment will be made by interview.

~~6.3~~6.4 All members may be re-appointed following a four-year term ~~and for subsequent terms.~~

Commented [KE2]: For clarity - that they could serve more than 2 terms

Non-voting Employee Representatives

~~6.4~~6.5 Representatives will be sought from the recognised Trade Union bodies and be reviewed by the Unions after the representative has served a four-year fixed term from appointment. On completion of the review the Union may choose whether to put forward the same representative or choose to appoint another representative from one of their number.

~~6.5~~6.6 For non-elected member representatives and employer representatives, appointments shall be made as follows:

~~6.5.1~~6.6.1 Nominations will be initially sought in a manner which seeks to fairly reflect the Scheme employers and membership of the Fund, however where no nominations are initially received, further requests for nominations can be sought from any appropriate representative;

~~6.5.2~~6.6.2 Successful nominations will be invited to interview by a panel of Committee members and Pension Fund officers; and

~~6.5.3~~6.6.3 Successful interviewees will be recommended to Full Council for approval and invited to become a member.

~~6.6~~6.7 All representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

7. Appointment of Chairman, Vice Chairman and Substitute Members

7.1 The Administering Authority will administer the appointment process of the Chairman, Vice Chairman and Substitute Members.

7.2 Full Council will appoint a Chairman and Vice Chairman annually. The appointment of these roles will consider each individual's knowledge and understanding of pensions including any relevant professional qualification that the Members may hold.

7.3 Substitute members – Full Council will appoint substitute members as required in accordance with Part 4 of the Constitution giving consideration to each individual's knowledge and understanding of pensions including any relevant professional qualification that the Members may hold.

8. Notification of appointment

8.1 When appointments to the Committee have been made the Administering Authority shall publish the name of Committee member.

8.2 Appointments are not required under the Public Services Pension Act 2013 (formerly Pension Act 2004 section 248a) to maintain a sufficient level of knowledge and understanding, ~~however~~ However it is expected that good practice will be followed, in so far that appointees will abide by the requirements specified in the Pension Regulator's code of practice 14 and the Pension Act 2004 sections 247 to 249.

8.3 ~~For those appointees who sit on the Fund's investment sub-committee it~~ is expected that ~~their~~ Members' knowledge and understanding will enable them to

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continue to comply with the FCA's MiFID II Regulations (or as amended from time to time) in relation to the Fund's professional investor status.

9. Duties of the Chairman

The Chairman:

9.1 Shall ensure the Committee delivers its purpose as set out in these Terms of Reference and all relevant legislation.

9.2 Shall ensure that meetings are productive and effective, and that opportunity is provided for the views of all members to be expressed and considered. _____

~~9.3 Shall seek to reach consensus and ensure that decisions are properly put to a vote, won by a simple majority and when it cannot be reached that the instances of a failure to reach a consensus position will be recorded and published.~~

10. Meetings

10.1 Meetings of the Committee will be ~~held~~ scheduled at least ~~four~~ eight times a year.

10.2 The Pension committee and any sub-committee will follow those parts of the Council procedure rules set out in Part 4 of Wiltshire Council's constitution ~~as apply to them,~~ except where otherwise set out in this Protocol 2A.

11. Quorum and Access

11.1 A meeting is only quorate when at least 25% of voting members are present, subject to a minimum of 3.

11.2 A meeting that becomes inquorate may continue but any decisions will be non-binding.

Public Access to Committee meetings and information

~~11.3~~ For the avoidance of doubt Part 5 of Wiltshire Council's constitution reflects the current statutory requirements set out in Section 100 Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

~~11.4~~ 11.4 These rules apply to the Pensions Committee or any sub-committee except where any particular issue is governed by other specific legislation.

12. Functions of the Committee

12.1 The Committee exercises the functions of the Council as Administering Authority. To fulfil its functions the Wiltshire Pension Fund Committee will operate within a framework of key Governance and Compliance documents which it will ensure are maintained.

12.2 The key documents are:

- 12.2.1 Governance Compliance Statement;
- 12.2.2 Funding Strategy Statement;
- 12.2.3 Investment Strategy Statement;
- 12.2.4 Administering Authority Discretions Policy;
- 12.2.5 Stewardship Code Statement;
- 12.2.6 Communications Strategy;
- 12.2.7 Business Plan;

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Commented [KE3]: Procedurally this is not a requirement, and is furthermore unnecessary as individual members can request their votes in objection be recorded.

Commented [KE4]: In unlikely event there is not sufficient business for a meeting 'scheduled' rather than 'held' would allow for cancellation where there is insufficient business which is already part of general procedure.

- 12.2.8 Administration Strategy;
- 12.2.9 Cessations Policy; and
- 12.2.10 Annual Report and Accounts.

12.3 The Committee shall be responsible for approving:

- 12.3.1 The Fund's budget;
- 12.3.2 The Triennial Valuation's key assumptions and results in relation to the Pension Fund; and
- 12.3.3 For reviewing and approving the Annual Report and Accounts for final approval by the Audit and Governance Committee.

13. Delegations

~~Investment Sub-Committee~~

~~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~~13.1 Authority is delegated to the Treasurer of the Fund (or their nominated representative) to conduct urgent business between meetings, in consultation with the Chairman and Vice-Chairman 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~~Scheme of Sub-Delegations document.

~~13.4~~13.2 Authority is delegated to the Chairman 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~~13.3 Authority is delegated to the Head of ~~Pensions Administration and Relations and the Head of Pension Fund Investments~~Wiltshire Pension Fund to prepare the Fund's budgets, although approval of the budget shall remain with the Committee.

14. Reporting

14.1 Giving consideration to relevant law and good governance practice the Committee will:

- 14.1.1 Publish a meetings attendance record in the Annual Report and Accounts;
- 14.1.2 Invite the Local Pension Board to input into matters of governance and administration; and
- 14.1.3 Report to the Local Pension Board on action(s) it has taken concerning the Board recommendations.