

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2017-2018

PENSION FUND COMMITTEE

24TH JULY 2017

**REPORT OF: THE GROUP DIRECTOR,
CORPORATE AND FRONTLINE
SERVICES**

	AGENDA ITEM NO.3
PENSION FUND COMMITTEE – TERMS OF REFERENCE AND GOVERNANCE STRUCTURE	

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1.0 PURPOSE OF REPORT

- 1.1 This report sets out the Terms of Reference for the Pension Fund Committee.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee :

2.1.1 Note the Terms of Reference as set out paragraph 3.

3.0 BACKGROUND

- 3.1 The setting up of the Pension Fund Committee was agreed by full Council on the 25th May 2016 and is incorporated into the [Pension Fund Governance Policy Statement](#).
- 3.2 It is subject to the provisions of Section 101 of the Local Government Act 1972 and oversees the Council's responsibilities with regard to the administration of the RCT Pension Fund. The Committee consists of 5 elected Members and is politically balanced.
- 3.3 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters delegated to the Group Director for Corporate and Frontline Services (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who is supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.
- 3.4 The terms of reference for the Pension Fund Committee are attached at Appendix 1, with all day to day and operational responsibilities being

delegated to the Group Director for Corporate and Frontline Services as outlined at Appendix 2.

- 3.5 The governance structure for the RCT Pension Fund, is also attached at Appendix 3.

4.0 CONCLUSION

- 4.1 This report sets out the Terms of Reference for the Committee alongside the delegated functions (to the Group Director Corporate and Frontline Services) and the Fund Governance structure.

Appendix 1

Pension Fund Committee - Terms of Reference

The Pension Fund Committee have the following specific roles and functions with regards to the Rhondda Cynon Taf Pension Fund (the 'Fund'), taking account of advice from the Group Director for Corporate and Frontline Services (in their capacity as s151 Officer) and the Fund's professional advisers:-

- Determining the Fund's aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including in relation to the following areas:
 - i) Governance – approving the Governance Policy and Compliance Statement for the Fund;
 - ii) Funding Strategy – approving the Fund's Funding Strategy Statement including ongoing monitoring and management of the liabilities, ensuring appropriate funding plans are in place for all employers in the Fund, giving due consideration to the results and impact of the triennial actuarial valuation and interim reports;
 - iii) Investment strategy - approving the Fund's investment strategy, Statement of Investment Principles and Myners Compliance Statement including setting investment targets and ensuring these are aligned with the Fund's specific liability profile and risk appetite;
 - iv) Administration Strategy – approving the Fund's Administration Strategy determining how the Council will the administer the Fund including collecting payments due, calculating and paying benefits, gathering information from and providing information to scheme members and employers;
 - v) Communications Strategy – approving the Fund's Communication Strategy, determining the methods of communications with the various stakeholders including scheme members and employers;
 - vi) Discretions – determining how the various administering authority discretions are operated for the Fund; and
 - vii) Internal Dispute Resolution Procedure – determining how the Scheme Member disputes are administered.
- Monitoring the implementation of these policies and strategies as outlined above on an ongoing basis.

- Considering the Fund's financial statements as part of the approval process and agreeing the Fund's Annual Report. Receive internal and external audit reports on the same.
- Receiving ongoing reports from the Group Director Corporate and Frontline Services in relation to their delegated functions.
- To provide independent assurance to members of the Fund of the adequacy of the risk management and associated control environment, responsible for the Fund's financial and non-financial performance.
- To adhere to the principles set out in the Pensions Regulator Code of Practice and undertake its duties in compliance with the obligations imposed on it.
- To receive regular training to enable Committee Members to make effective decisions and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.
- Consider any pension compliance matters raised by the Fund's Pension Board.

Appendix 2

Delegated Functions – Group Director Corporate and Frontline Services

The Group Director Corporate and Frontline Services (in their capacity as S151 officer) supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support, has delegated responsibility for all day to day operational matters.

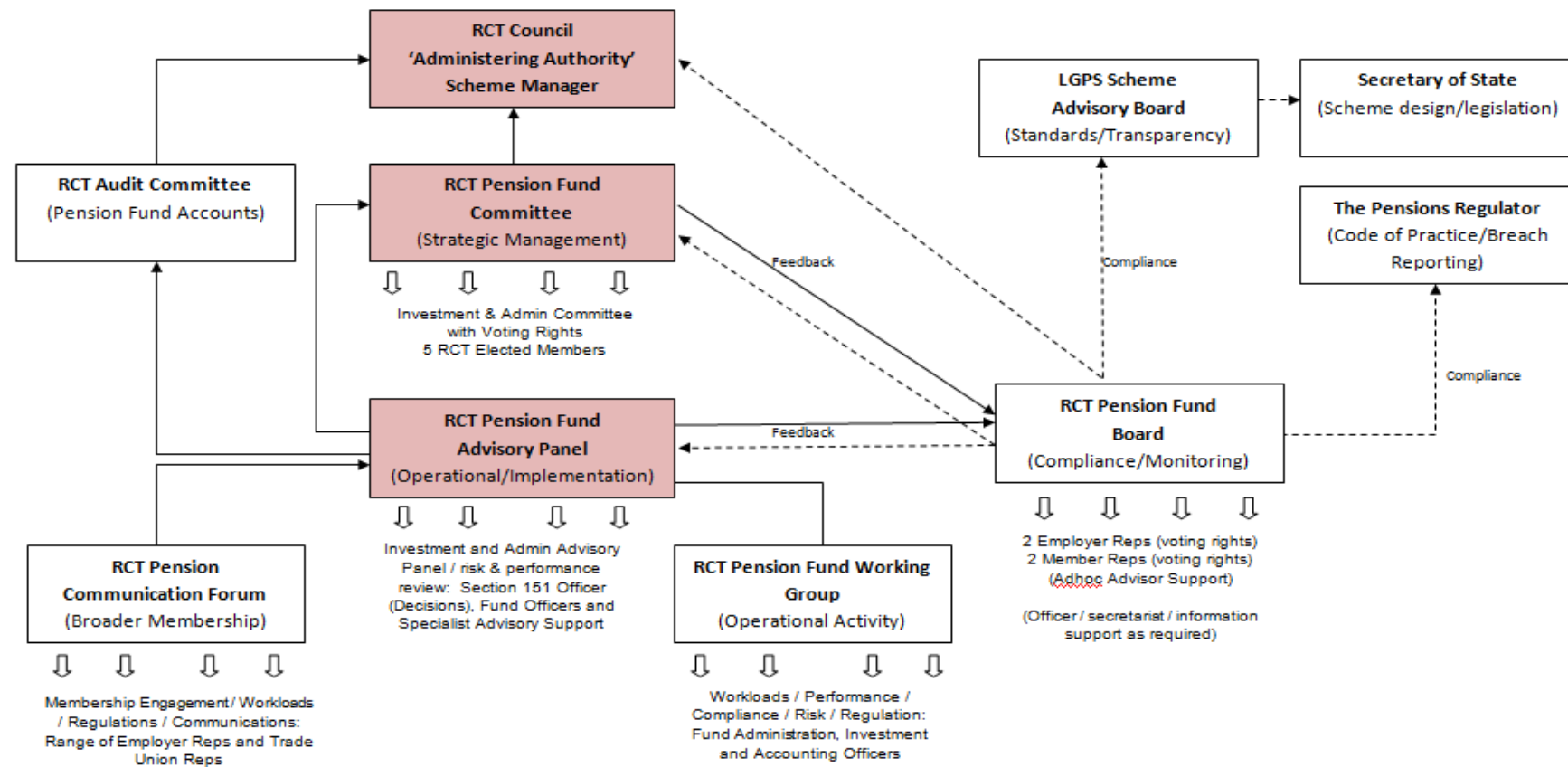
The Panel advises on all aspects of the Pension Fund. It produces the annual report to Committee and is subject to Audit scrutiny. Areas upon which it gives advice are: -

- Selection, appointment and dismissal of the Fund's advisers, including actuary, benefits consultants, investment consultants, global custodian, fund managers, lawyers, pension funds administrator, and independent professional advisers.
- Making decisions relating to employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.
- Agreeing the terms and payment of bulk transfers into and out of the Fund.
- Agreeing Fund business plans and monitoring progress against them.
- Maintain the Fund's Knowledge and Skills Policy for all Pension Fund Committee Members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy. Formulating responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.
- Ensuring the Fund is managed and pension payments are made in compliance with the extant Local Government Pension Scheme Legislation, Her Majesty's Revenue & Customs requirements for UK registered pension schemes and all other relevant statutory provisions.
- Ensuring robust risk management arrangements are in place.
- Ensuring the Council operates with due regard and in the spirit of all relevant statutory and non-statutory best practice guidance in relation to its management of the Fund.
- Monitor investment performance.

- Work with the Fund Actuary to determine the level of employer contributions required from each employer within the Fund, and ensure such contributions are received.

Appendix 3

Rhondda Cynon Taf Pension Fund Governance Structure 2016



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