

London Borough of Hammersmith & Fulham

Report to: Full Council

Date: 21/10/2020

Subject: Review of the Constitution

Report of: The Leader of the Council – Councillor Stephen Cowan

Responsible Director: Rhian Davies, Director of Resources

Summary

This report asks Council to approve changes to the Pension Fund Sub-Committee terms of reference and the Departmental Register of Authorities.

Recommendations

1. That Council approve the updates to the terms of reference of the Pension Sub-Committee as detailed in Appendix 1.
 2. That Council approve the Departmental Registers of Authorities, reflecting changes to job titles and new legislation, as detailed in Appendix 2.
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Wards Affected: None

H&F Priorities	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	To review the governance and efficiency of the Pension Fund, recommending and making changes where necessary.
Taking pride in H&F	Ensuring a high standard of governance across the Council.

Financial Impact

The recommendations in this report have no direct financial implications.

Legal Implications

The Local Government Act 2000 requires the Council to have and maintain a Constitution. The Monitoring Officer is satisfied that the Council's Constitution continues to fulfil its stated purposes, as set out in Article 1 of the Constitution.

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Background Papers Used in Preparing This Report

The Council's Constitution: www.lbhf.gov.uk/constitution

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure business is conducted in an efficient, transparent, and accountable manner.
2. The Monitoring Officer has a duty to keep the Constitution under review and has delegated authority to amend the Constitution where there has been a change in law, job title, structure, rearrangement of job responsibilities or for general administrative convenience. All extensive changes to the Constitution, however, must be approved by Full Council.

Reasons for Decision

3. The Council's Monitoring Officer is required to review the Council's Constitution each year to ensure that its aims and principles are given full effect in accordance with Article 15 of the Constitution.

PROPOSAL AND ISSUES

Pension Fund Sub-Committee Terms of Reference

4. The proposed change to the terms of reference of the Pension Fund Sub-Committee clarifies that the Sub-Committee is responsible for all contract and procurement decisions relating to the Council's Pension Fund. The updated terms of reference can be found in Appendix 1.

The Departmental Register of Authorities

5. The Departmental Register of Authorities is regularly updated to reflect changes in organisational structure, job titles, and any recent changes in legislation. The latest updates are outlined in Appendix 2.

Equality Implications

6. There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the amendments recommended in this report. Officers have considered the equalities impact of this decision to be neutral.

Implications verified by: Fawad Bhatti, Policy & Strategy Officer – Tel: 07500 103617

List of Appendices:

- Appendix 1 – Pension Fund Sub-Committee Terms of Reference
- Appendix 2 – Departmental Register of Authorities

Appendix 1 – Updates to the Pension Fund Sub-Committee Terms of Reference

Members

4 members drawn from the Audit and Pensions Committee

Quorum

2 Members of the Sub-Committee

Political proportionality

3 Administration members
1 Opposition member

Co-opted Members

The Sub-Committee may co-opt non-voting independent members, including Trade Unions and representatives from the admitted and scheduled bodies in the Pensions Fund, as appropriate

1. Voting

1.1 All Councillors on the Sub-Committee shall have voting rights. In the event of an equality of votes, the Chair of the Sub-Committee shall have a second casting vote. Where the Chair is not in attendance, the Vice-Chair will have the casting vote.

2. Chair

1.1 The Chair will be the Chair of the Audit and Pensions Committee. In the absence of the Chair, the members present shall elect a Chair for the meeting from among the members then present, who shall have the second or casting vote. If the Chair subsequently attends the meeting, the person then in the Chair shall vacate it.

3. Procedures

3.1 Except as provided herein, Council Standing Orders (as applicable to Committees) shall apply at meetings of the Sub-Committee. In the event of a conflict between these procedures and any guidance or law then the latter will prevail.

3.2 Meetings of the Sub Committee shall be held in public, subject to the provisions for considering exempt items in accordance with sections 100A-D of the Local Government Act 1972 (as amended).

4. Meetings

4.1 The Pensions Fund Sub Committee will meet at least four times a year.

4.2 The Chair of the Sub Committee may convene additional meetings as necessary.

4.3 The Chief Executive may ask the Sub Committee to convene further meetings to discuss particular issues on which the Sub Committee's advice is sought.

5. Reporting

5.1 The Pension Fund Sub Committee will formally report back in writing to the full Council at least annually.

6. Responsibilities

6.1 To have responsibility for all aspects of the investment and other management activity of the Council's Pension Fund, including, but not limited to, the following matters:

- a) To agree the investment strategy and strategic asset allocation having regard to the advice of the fund managers and the Investment Consultant.
- b) To monitor performance of the Pension Fund, individual fund managers, custodians, actuary and other external advisors to ensure that they remain suitable.
- c) To determine the Fund management arrangements, including the appointment and termination of the appointment of the Fund Managers, Actuary, Custodians and Fund Advisers.
- d) To agree the Statement of Investment Principles, the Funding Strategy Statement, the Business Plan for the Fund, the Governance Policy Statement, the Communications Policy Statement and the Governance Compliance Statement and to ensure compliance with these.
- e) To approve the final statement of accounts of the Pension Fund and to approve the Annual Report.
- f) To receive actuarial valuations of the Pension Fund regarding the level of employers' contributions necessary to balance the Pension Fund.
- g) To oversee and approve any changes to the administrative arrangements, material contracts and policies and procedures of the Council for the payment of pensions, and allowances to beneficiaries.
- h) To make and review an admission policy relating to admission agreements generally with any admission body.
- i) To ensure compliance with all relevant statutes, regulations and best practice with both the public and private sectors.
- j) To review the arrangements and managers for the provision of Additional Voluntary Contributions for fund members.
- k) To receive and consider the Auditor's report on the governance of the Pension Fund.
- l) To determine any other investment or pension fund policies that may be required from time to time so as to comply with Government regulations and to make any decisions in accordance with those policies.
- m) To take all contract and procurement decisions which impact upon the Council's Pension Fund.

6.2 In cases where the Sub Committee decides, it may refer matters to the Audit and Pensions Committee for decision.

Appendix 2 – Updates to the Departmental Register of Authorities

Council is asked to approve the register with the following additions:

Legislation	Function	Proper Officer(s)
Highways Act 1980	S 38 - Power of the highway authorities to adopt by agreement	Strategic Director of Environment, Chief Officer Public Realm, Assistant Director of Environment, Special Projects and Highways
Highways Act 1980	S 72 - Widening of highways	Strategic Director of Environment, Chief Officer Public Realm, Assistant Director of Environment, Special Projects and Highways
The Proceeds of Crime Act 2002	As appropriate	Strategic Director of Environment, Chief Officer Safer Neighbourhoods & Regulatory Services, Strategic Lead Environmental Health & Residential Services, Environmental Quality Manager, Head of Environmental Health, Environmental Protection Manager, Trading Standards Manager, Senior Trading Standards Officer, Trading Standards Officer
Electricity Act 1989	As appropriate	Strategic Director of Environment, Chief Officer Public Realm, Assistant Director of Environment, Special Projects and Highways
The Redress schemes for Lettings Agency work and Property management work (Requirement to belong to a scheme etc) (England) order 2014	As appropriate	Trading Standards manager, Senior Trading Standards Officer, Trading Standards Officer
Business and Planning Act 2020	As appropriate	Strategic Director of Environment

The full Departmental Registers of Authorities can be found [here](#)