

Audit, Pensions and Standards Committee

Supplementary Agenda

Tuesday 2 December 2014

7.00 pm

COMMITTEE ROOM 1 - HAMMERSMITH TOWN HALL

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor PJ Murphy Councillor Iain Cassidy (Chair) Councillor Guy Vincent Councillor Adam Connell Councillor Ben Coleman	Councillor Michael Adam Councillor Nicholas Botterill Councillor Mark Loveday Councillor Donald Johnson	

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http://www.lbhf.gov.uk/Directory/Council_and_Democracy

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Date Issued: 28 November 2014

Audit, Pensions and Standards Committee Supplementary Agenda

2 December 2014


Item

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**12. PENSION FUND GOVERNANCE - PENSION FUND SUB
COMMITTEE**

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Amendments are being proposed to draft Sub Committee's terms of reference to reflect further discussions which have taken place since the agenda despatch.

 <p>h&f the low tax borough</p>	<p>London Borough of Hammersmith & Fulham</p> <p>AUDIT, PENSIONS AND STANDARDS COMMITTEE</p> <p>2nd December 2014</p>
PENSION FUND GOVERNANCE – PENSION FUND SUB COMMITTEE (ADDENDUM)	
Report of the Executive Director of Finance and Corporate Governance	
Open Report	
Classification: For Decision	
Key Decision: No	
Wards Affected: All	
Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance	
Report Authors: Jonathan Hunt, Tri-Borough Director of Pensions and Treasury and Kayode Adewumi – Head of Governance and Scrutiny	Contact Details: Tel: 020 7641 1804 E-mail: jonathanhunt@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. Amendments are being proposed to draft Sub Committee's terms of reference to reflect further discussions which have taken place since the agenda despatch.

2. RECOMMENDATIONS

- 2.1. That the Committee is asked to establish a Pensions Sub Committee or agree for the Committee to meet more frequently to consider Pension Fund matters.
- 2.2. That if the Committee decides to establish a Sub Committee:-
 - That the Sub Committee's terms of reference outlining its membership, operational matters and decision powers, as outlined in appendix 1, be approved.
 - That the Members of the Sub Committee consisting 3 Administration and 2 Opposition Members (names to be tabled at the meeting), be agreed.

- That Committee delegate authority to the Sub Committee to exercise power on all pension matters as outlined in the draft terms of reference.

3. REASONS FOR DECISION

- 3.1. To enable the establishment of a Pension Sub Committee which will be responsible for Pension Fund decisions matters.

4. ADDITIONAL INFORMATION

- 4.1. This report provides an update to the report circulated with the agenda. It sets out an updated terms of reference and requests the deletion of paragraph 9 titled financial and resources implication.

5. CONSULTATION

- 5.1. This committee's views are being sought on the proposal.

6. EQUALITY IMPLICATIONS

- 6.1. Not applicable.

7. LEGAL IMPLICATIONS

- 7.1. The establishment of a Pension Fund Sub Committee will continue to promote timely, effective, transparent and lawful decision making reflecting the arrangements Members have put in place for the running of the Council.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 Not applicable

9. RISK MANAGEMENT

- 9.1. Not applicable.

10. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 10.1. Not applicable.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

LIST OF APPENDICES: - Appendix 1: Proposed Terms of Reference for the Pension Fund Sub Committee

PENSION FUND SUB COMMITTEE
TERMS OF REFERENCE

1. Membership

- 1.1 The Membership will consist of 5 members drawn from the parent Committee.
- 1.2 The Sub Committee will have the following membership:
3 Administration Councillors and 2 Opposition Councillors
- 1.3 The Chair will be the Chair of the Audit, Pensions and Standards Committee. The Vice-Chairman will be an Opposition Councillor.
- 1.4 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.

2. Quorum

- 2.1 The quorum of the Sub Committee shall be 3 members.

3. Voting

- 3.1 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.

4. Procedures

- 4.1 Except as provided herein, Council Procedure Rules (as applicable to all Committees) shall apply in all other respects to the conduct of the Committee.
- 4.2 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).

5. Meetings

- 5.1 The Pensions Fund Sub Committee will meet at least four times a year.
- 5.2 The Chair of the Sub Committee may convene additional meetings as necessary.
- 5.3 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.

6. Reporting

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

7. **Responsibilities**

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:

1. To agree the investment strategy and strategic asset allocation having regard to the advice of the fund managers and the Investment Consultant.
2. To monitor performance of the Pension Fund, individual fund managers, custodians, actuary and other external advisors to ensure that they remain suitable;
3. To determine the Fund management arrangements, including the appointment and termination of the appointment of the Fund Managers, Actuary, Custodians and Fund Advisers.
4. 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.
5. To approve the final statement of accounts of the Pension Fund and to approve the Annual Report.
6. To receive actuarial valuations of the Pension Fund regarding the level of employers' contributions necessary to balance the Pension Fund.
7. 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.
8. To make and review an admission policy relating to admission agreements generally with any admission body.
9. To ensure compliance with all relevant statutes, regulations and best practice with both the public and private sectors.
10. To review the arrangements and managers for the provision of Additional Voluntary Contributions for fund members.
11. To receive and consider the Auditor's report on the governance of the Pension Fund.
12. 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.

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