

Governance Committee

25 June 2018

Part I

Change to Pensions Panel Terms of Reference

Report by Director of Finance, Performance and Procurement

Summary

West Sussex has formed the ACCESS group with ten other Pension Funds in order to collaborate in the pooling of invested assets in accordance with the Government's expectation to save on investment costs. All of the authorities have signed an Inter-Authority Agreement and formed a Joint Committee to oversee the implementation of the Pooling proposals submitted to the Government in July 2016.

The terms of reference of the Pensions Panel do not currently contain any reference to the ACCESS Joint Committee or the Panel's role in the governance structure of ACCESS.

Recommendation

That the County Council be recommended that the Pensions Panel terms of reference be updated to reflect the addition of the ACCESS Joint Committee in the governance structure of the Pension Fund.

Proposal

1. Background and Context

- 1.1 West Sussex has formed the ACCESS group with ten other Pension Funds in order to collaborate in the pooling of invested assets in accordance with the Government's expectation that Funds should pool their assets to secure savings on investment costs.
- 1.2 The Inter Authority Agreement between the ACCESS funds was approved at full Council on 24 March 2017. The agreement has been approved and signed by all administering authorities and the inaugural Joint Committee meeting of the ACCESS Pool was held on 31 July 2017.
- 1.3 The Constitution of the Joint Committee sets out that each Council will be represented by an elected councillor who serves on the Committee which discharges the pension functions for the administering authority. The Pensions Panel Chairman has been appointed to the ACCESS Joint Committee, to sit alongside representatives from the other participant Pension Funds.
- 1.4 The Joint Committee elected the Suffolk Pension Fund representative to be the Joint Committee Chairman and the East Sussex Pension Fund representative to be the Vice-Chairman.

- 1.5 In the pooled investment structure individual funds, like West Sussex, will still be responsible for their own investment strategy and asset allocation decisions. The pool will be responsible for selecting a suitable number of Investment Managers in order to meet the requirements of all of the funds' investment strategies. This is set out in Schedule 1-3 of the IAA.
- 1.6 The terms of reference of the Pensions Panel do not currently reflect the addition of the ACCESS Joint Committee to the Pension Fund governance structure.

2. Proposal

- 2.1 In order to reflect the ACCESS Joint Committee in the Pensions Panel terms of reference it is proposed that the County Council be recommended that the amendments set out below are made:

Terms of Reference

To be responsible to the Governance Committee for:

1. Appointment of professional and specialist investment advisers and managers on a consultancy basis.
2. Consideration of the recommendations of the advisers and managers including the Fund's investment strategy.
- 3. Determination of and overseeing the County Council's *Pension Fund's* investment policy **strategy and oversight of the delivery of the strategy by the Local Government Pension Scheme (LGPS) ACCESS Joint Committee.****
- 4. *Consideration of and response to the recommendations of the LGPS ACCESS Joint Committee.***
5. Consideration of and response to key scheme governance, funding and administration issues, including responses to statutory consultations.
6. Overseeing the management of the Pension Fund investments.
7. Monitoring the Fund's performance.
8. Ensuring that arrangements are in place for consultation and communication with stakeholders as necessary.
9. Establishing member groups to review aspects of investment strategy or to undertake work on key themes and to report back to the Panel.

3. Equality Impact Report

- 3.1. An Equality Impact Report is not required for this decision as it concerns the Council's internal arrangements.

4. Resource Implications and Value for Money

- 4.1. Not applicable.

5. Risk Management/Crime and Disorder/Human Rights Implications

5.1. Not applicable.

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Background Papers

None