



City of Westminster

Committee Report

Decision Maker:	General Purposes Committee
Date:	5 November 2014
Classification:	General Release
Title:	Superannuation Committee – Terms of Reference
Wards Affected:	All
Policy Context:	Management of the Council
Financial Summary:	No Change
Report of:	Tri-Borough Director for Pensions and Treasury

1. Executive Summary

- 1.1 The current Terms of Reference of the Superannuation Committee were established in 2008. Since then, there has been increasing pension related matters that have been considered at Committee, as well as changes with the introduction of a Tri-Borough Pensions team within Finance. Amendments to the Terms of Reference to reflect these developments are now appropriate.

2. Recommendations

- 2.1 That the Council be recommended that the revised Terms of Reference as attached in Appendix A be agreed and that the Superannuation Committee be renamed the Pension Fund Committee.

3. Reasons for Decision

- 3.1 The Terms of Reference for the Superannuation Committee need to be revised to reflect the business the Committee considers, to set out more clearly its responsibilities and to enable a more aligned Terms of Reference across the three Tri-Borough Pension Funds. The renaming of the Committee is to set out more in plain English what the Committee does as Superannuation is now a lesser used word.

4. Background

- 4.1 The current Terms of Reference we last approved in 2008, and there have been significant changes in the way the pension fund business in the Council has developed since then. The current terms of reference, together with the proposed changes in markup form are attached as appendix A to this paper.
- 4.2 These changes are proposed to reflect more accurately the matters the Committee now cover in the wider pensions' area, to enable any successor Committees or Officers to have a better understanding of their respective remits and to have a greater degree of alignment across Tri-Borough. This last point should enable a greater degree of discussion between the Tri-Borough Committee Chairs where is it appropriate and relevant – given the degree of commonality in some areas between the three Funds.
- 4.3 The name of the Committee has been Superannuation Committee for very many years. However, Superannuation is much less used now than it was, and is not really a term in common parlance. So as to make the title of the Committee understood to all, and to keep the title current, it is proposed that the Committee be renamed the Pension Fund Committee.

5. Financial Implications

- 5.1 These changes would have no impact on the financial implications – it is more to enable better governance.

6. Legal Implications

- 6.1 The legal power to the proposal must be set out together with any future possible legal implications.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Jonathan Hunt: 7641 6262; email: jhunt@westminster.gov.uk

BACKGROUND PAPERS: Local Government Act 1972

PENSION FUND COMMITTEE

1. CONSTITUTION

6 Members of the Council.

2. TERMS OF REFERENCE

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 accounts and balance sheet 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 administration arrangements, material contracts and policies and procedures of the Council for the payment of pensions, compensation payments 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 the compensation policy on termination of employment and to make any decisions in accordance with that policy other than decisions in respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub-Committee).
13. To determine policy on the award of additional membership of the pension fund and to make any decisions in accordance with that policy other than decisions in

respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub-Committee).

14. To determine policy on the award of additional pension and to make any decisions in accordance with that policy other than decisions in respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub- Committee).
15. To determine policy on retirement before the age of 60 and to make any decisions in accordance with that policy other than decisions in respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub- Committee).
16. To determine a policy on flexible retirement and to make any decisions in accordance with that policy other than decisions in respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub-Committee).
17. To determine questions and disputes pursuant to the Internal Disputes Resolution Procedures.
18. To determine any other investment or pension 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 other than decisions in respect of the Chief Executive, Chief Officers and Deputy Chief Officers of the Council (which fall within the remit of the Appointments Sub-Committee).