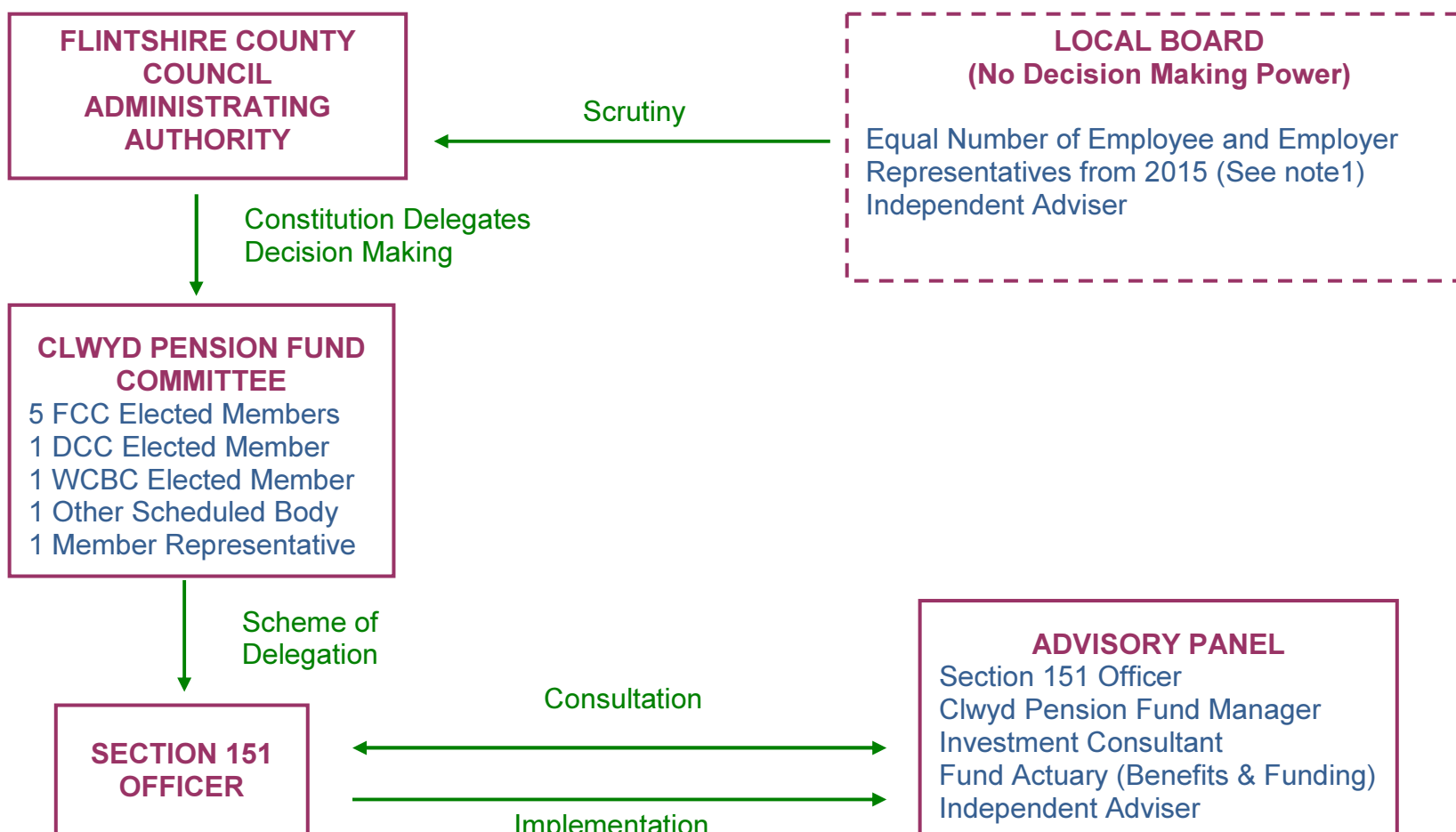


**CLWYD PENSION FUND
PROPOSED GOVERNANCE STRUCTURE**



Note:

1. The Public Services Pensions Act requires a new body, a Local Board, to 'scrutinise' the administering authority. Not expected to be implemented until 2015.

Recommended changes to the Constitution relating to the Clwyd Pension Fund

1) Addition to PART 2 – ARTICLES OF THE CONSTITUTION

The following article shall be added:

Article XX – The Pension Fund Committee

1.1 Pension Fund Committee

The Council will establish a Pension Fund Committee.

1.2 Composition

(a) **Membership.** The Pension Fund Committee will be composed of 9 members. Its membership will include:

- i) 5 Councillors of Flintshire County Council, determined by the Council.

Four co-opted members comprising:-

- ii) 1 Councillor of Wrexham County Borough Council, determined by that Council.
- iii) 1 Councillor of Denbighshire County Council, determined by that Council.
- iv) 1 Representative of the other Scheme Employers (not admission bodies) in the Clwyd Pension Fund as defined by Schedule 2 of the Local Government Pension Scheme 2013, as amended from time to time, appointed in accordance with procedures agreed by the Head of Finance in consultation with the members of the Pension Fund Advisory Panel*.
- v) 1 Representative of the scheme members of the Clwyd Pension Fund, appointed in accordance with procedures agreed by the Head of Finance in consultation with the members of the Pension Fund Advisory Panel.

*The Pension Fund Advisory Panel is a group of officers and advisers to the Clwyd Pension Fund, currently consisting of:

- The Head of Finance of Flintshire County Council
- The Clwyd Pension Fund Manager
- Investment Consultant
- Fund Actuary
- Independent Adviser

(b) **Term of office.**

- i) The representative members (for other scheme employers and scheme members) are appointed for a period of no more than six years and may be reappointed for further terms.
- ii) Councillors of Flintshire County Council will be appointed annually and may be reappointed for further terms.
- ii) Councillors of other local authorities who are members of the Pension Fund Committee will have a term of office to the next ordinary local government election following their appointment. They may be reappointed for further terms.

(c) **Quorum.** A meeting of the Pension Fund Committee shall only be quorate when:

- i) At least five members are present, and
- ii) At least three of the members present are councillors of Flintshire County Council

(d) **Voting.** The Councillors from Wrexham County Borough Council and Denbighshire County Council and the representative members will be entitled to vote at meetings as well as Councillors of Flintshire County Council;

(f) **Chairing the Committee.**

- i) Only Councillors of Flintshire County Council may be the Chair and Vice-Chair.
- ii) The Chair and Vice- Chair will be elected annually by members of Flintshire County Council.

(h) The Council Procedure Rules should apply to this Committee in the same way as they apply to other Committees unless different provision is made in this article.

- (i) Location. The Pension Fund Committee may occasionally meet outside of the Flintshire County Council area.

1.3 Role and Function

The Pension Fund Committee's principal aim is to carry out the functions of Flintshire County Council as the Scheme Manager and Administering Authority for the Clwyd Pension Fund in accordance with Local Government Pension Scheme legislation.

The Pension Fund Committee will have the following specific roles and functions, taking account of advice from the Head of Finance and the Fund's professional advisers:

- a) Ensuring the Clwyd Pension Fund is managed and pension payments are made in compliance with the extant Local Government Pension Scheme Regulations, Her Majesty's Revenue & Customs requirements for UK registered pension schemes and all other relevant statutory provisions.
- b) Ensuring robust risk management arrangements are in place.
- c) 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 Clwyd Pension Fund.
- d) Determining the Pension 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 Fund's Governance Policy and Compliance Statement for the Fund within the framework as determined by Flintshire County Council and making recommendations to Flintshire County Council about any changes to that framework.
 - 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, overseeing the triennial valuation and interim valuations, and working with the actuary in determining the appropriate level of employer contributions for each employer.
 - 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.
- e) Monitoring the implementation of these policies and strategies on an ongoing basis.
 - f) Considering the Fund's financial statements prior to approval by the Council and agreeing the Fund's annual report.
 - g) 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.
 - h) 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.
 - i) Agreeing the terms and payment of bulk transfers into and out of the Fund.
 - j) Agreeing Pension Fund business plans and monitoring progress against them.
 - k) Agreeing 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.
 - l) Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.
 - m) Receiving ongoing reports from the Head of Finance and Pensions Advisory Panel in relation to delegated functions.

No matters relating to Flintshire County Council's responsibilities as an employer participating within the Clwyd Pension Fund are delegated to the Pension Fund Committee.

1.4 Sub-Committees, Task and Finish Groups and Officers

The Committee may delegate a limited range of its functions to one or more officers of the Authority. The Pension Fund Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Fund Committee.

2) Change to PART 2 – ARTICLES OF THE CONSTITUTION

The following provision shall be deleted:

Committee (Membership)		Non-Executive Functions	Provision of Act or Statutory Instrument	Delegation of functions
H. Functions relating to pensions etc	1	Functions relating to local government pensions, etc	Regulations under Sections 7, 12 or 24 of the Superannuation Act 1972 (c11) [44]	Head of Finance
	3	Functions under existing pension schemes as respects persons employed by the fire and rescue authorities pursuant to Section 1 of the Fire and Rescue Services Act 2004	Sections 34 and 36 of the Fire and Rescue Services Act 2004	Head of Finance

The following provision shall be added:

Committee (Membership)		Non-Executive Functions	Provision of Act or Statutory Instrument	Delegation of functions
Pension Fund Committee 5 Councillors of Flintshire County Council, 1 Councillor of Wrexham County Borough Council, 1		In accordance with Article X, to carry out the functions of Flintshire County Council as the Scheme Manager and Administering Authority for the Clwyd Pension Fund.	Regulations under Sections 7, 12 or 24 of the Superannuation Act 1972 (c11) [44] and the Public Service Pensions Act 2013.	Head of Finance

Councillor of Denbighshire County Council, 1 Representative of the other Scheme Employers (not admission bodies) in the Clwyd Pension Fund and 1 Representative of the scheme members of the Clwyd Pension Fund.				
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3) Change to PART 3 – RESPONSIBILITY FOR FUNCTIONS

The following provisions shall be deleted:

Head of Finance & Section 151 Officer	
FS9	To accept nominations of admitted bodies to participate in the Superannuation Fund.
FS14	In accordance with any policy or strategy decided by the Authority to approve decisions relating to the management of the Pension Fund and the administration of pension benefits.
FS15	To carry out functions relating to local government pensions etc pursuant to Regulations under Section 7, 12 or 24 of the Superannuation Act 1972; and functions relating to pensions, allowances and gratuities pursuant to Regulations under Section 18(3A) of the Local Government and Housing Act 1989.
FS16	To determine matters involving the exercise of a discretion under provisions relating to or arising from the Local Government Pension Scheme following consultation with the Discretions Panel consisting of the Head of Pensions/Funds, the Pensions Manager and Principal Solicitor (Litigation).

The following provisions shall be added:

Head of Finance & Section 151 Officer	
FSn	The day to day management of Clwyd Pension Fund matters including ensuring arrangements for investments of assets and administration of contributions and benefits, excluding matters delegated to the Pensions Fund Committee.
FSn	Establish and chair a Clwyd Pension Fund Advisory Panel consisting of officers of the Council and adviser to the Clwyd Pension Fund to provide advice and propose recommendations to the Pension Fund Committee, and carry out such matters as delegated to it from time to time by the Pension Fund Committee.

3) Change to PART 4 – RULES OF PROCEDURE Financial Procedure Rules

The following provisions shall be amended:

In:

- Clause 18.5 (b) relating to Chief Finance Officer or Head of Human Resources and Organisational Development, and
- Clause 18.5 (d) relating to Directors and Heads of Service the words "superannuation" shall be replaced by "pension".