

Part 7 – Terms of Reference

PENSION COMMITTEE – TERMS OF REFERENCE

1. Introduction

As a statutory pension scheme the Local Government Pension Scheme (LGPS) does not have trustees as such. Decisions are required to be made by each Administering Authority which in the case of the Waltham Forest Pension Fund is the Council of the London Borough of Waltham Forest. The decision making process is carried out via the Pension Committee. The elected Members who sit on the Pension Fund Committee act on behalf of the beneficiaries of the LGPS and in this way have a similar role to trustees in primarily protecting the benefits of the LGPS members, overseeing the direction of investments, monitoring of liabilities and scheme administration.

2. Membership and Meeting Arrangements

- 2.1 The Committee will comprise councillors, including a Chair and Vice-Chair appointed by the Council.
- 2.2 The Committee may appoint observers to attend and participate but not to vote in meetings, in order to represent employing authorities and scheme members. Observers shall be appointed on a four-yearly basis and may include retired scheme members.
- 2.3 The Committee may appoint expert independent advisors from time to time, who shall be entitled to reasonable remuneration, subject to annual review.
- 2.4 The Committee may recognise observers from:
 - Recognised trade unions
 - Employers within the Waltham Forest Pension Scheme
 - Staff and pensioners
- 2.5 Meetings will be scheduled on a quarterly basis. The Director of Governance and Law, after consultation with the Strategic Director of Finance and Governance, and the Chair or Vice-Chair of the Committee, may cancel, re-schedule or call additional meetings as required.
- 2.6 Members of the Pension Committee will be offered appropriate training, in accordance with a training policy agreed by the Committee in order to discharge their duties effectively, especially with regard to investment matters and

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interpretation of advice. A record of the training received will be kept by Democratic Services.

3. Functions

3.1 The Committee has responsibility delegated by the Council for functions relating to local government pensions as listed in Section H of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (Part 3 of the Constitution: Responsibility for Functions, Table 2).

3.2 The Committee is responsible for ensuring that the Fund is properly operated in accordance with all relevant legislation and best practice as advised by the Pensions Regulator, including both financial and administration matters. This will include, but is not limited to:

3.2.1 benefits administration;

3.2.2 managing the Discretions policies;

3.2.3 resolving Internal Disputes;

3.2.4 communications with members;

3.2.5 communication and engagement with employers;

3.2.6 monitoring risks;

3.2.7 record keeping;

3.2.8 publishing of scheme information as required; and

3.2.9 approving the Council's Pension Fund Annual Report and Financial Statements and to consider any reports produced by the Strategic Director of Enabling in accordance with the duty to make arrangements for the proper administration of the financial affairs of the Council's Pension Fund ("the Fund"), but not in respect of the formulation of a plan or strategy which is a function of the Cabinet (and subject to final approval by the Council) or detailed operational matters which are within the purview of the Cabinet and for taking whatever action is necessary to ensure compliance with both the Local Government Pension Scheme Regulations ("the Regulations") (as amended from time to time) and best practice.

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- 3.3 The Committee will carry out the duties set out in the Regulations, in relation to the actuarial valuations of the Fund and in relation to any other decisions about the amount the employers need to pay.
- 3.4 The Committee will assess the covenant of scheme employers, ensure that employer contributions are set accordingly and other relevant regulations are adhered to.
- 3.5 The Committee will determine the overall investment strategy in accordance with the Regulations, ensuring that the Fund is invested in suitable types of investments and is sufficiently diversified having regard to its investment objectives. These include:
 - 3.4.1 determining the Statement of Investment Principles;
 - 3.4.2 ensuring adequate monitoring and compliance with the overall investment strategy and the Statement of Investment Principles;
 - 3.4.3 appointing investment managers and any external service providers and advisors felt to be necessary; and,
 - 3.4.4 maintaining effective arrangements for reviewing on a regular basis investment manager performance against established benchmarks and being satisfied as to manager expertise and the quality of their internal systems.
- 3.6 Nomination of the shareholder representative and deputising arrangements to represent the Fund's share in the London Collective Investment Vehicle. The Audit and Governance Committee is satisfied that this role might be held by an officer.
- 3.7 The Committee will work closely with the Waltham Forest Pension Board (the Board) to ensure the scheme is administered efficiently and effectively and will share with the Board reports and documents to enable the Board to achieve meet its remit. The Council will receive reports from each Board meeting and as the Board deems necessary. In turn the Council will consider any reports the Board may produce in the course of their duties and respond accordingly within a reasonable period of time.

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- 3.8 In support of this working relationship any member of the Committee may attend Board meetings and Board members may attend Committee meetings.
- 3.9 As part of the good governance of the Scheme, the Committee will work with, receive and consider reports from the Board. The Board is not a decision making body and it will be for the Committee to ensure that the appropriate actions are undertaken as required.
- 3.10 The Committee will ensure that the Fund works with the relevant admitted bodies as required and that a discretions policy is properly maintained and administered.