

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021-22

PENSION FUND COMMITTEE

11th OCTOBER 2021

**REPORT OF: THE DIRECTOR OF
FINANCE AND DIGITAL SERVICES**

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AGENDA ITEM NO. 8
REVIEW OF PENSION FUND GOVERNANCE DOCUMENTS: FUNDING STRATEGY STATEMENT AND ADMINISTRATION STRATEGY

1.0 PURPOSE OF REPORT

1.1 This report sets out updated Funding Strategy Statement and Administration Strategy governance documents which fall within the remit of the Committee as detailed in the terms of reference.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee :

2.1.1 Review the updated Funding Strategy Statement (Appendix 1) and Administration Strategy (Appendix 2) and if deemed appropriate, approve both documents.

3.0 BACKGROUND

3.1 The agreed terms of reference of the Pension Fund Committee are as set out below.

Terms of Reference

The Pension Fund Committee have the following specific roles and functions with regards to the Rhondda Cynon Taf Pension Fund (the 'Fund'), taking account of advice from the Director of Finance and Digital Services (in their capacity as s151 Officer) and the Fund's professional advisers:-

- Determining the 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 Governance Policy and Compliance Statement for the Fund;
 - 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, giving due consideration to the results and impact of the triennial actuarial valuation and interim reports;
 - 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 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; and
 - vii) Internal Dispute Resolution Procedure – determining how the Scheme Member disputes are administered.
- Monitoring the implementation of these policies and strategies as outlined above on an ongoing basis.
 - Considering the Fund's financial statements as part of the approval process and agreeing the Fund's Annual Report. Receive internal and external audit reports on the same.
 - Receiving ongoing reports from the Director of Finance and Digital Services in relation to their delegated functions.
 - To provide independent assurance to members of the Fund of the adequacy of the risk management and associated control environment, responsible for the Fund's financial and non-financial performance.
 - To adhere to the principles set out in the Pensions Regulator Code of Practice and undertake its duties in compliance with the obligations imposed on it.

- To receive regular training to enable Committee Members to make effective decisions and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.
- Consider any pension compliance matters raised by the Fund's Pension Board.

3.2 As Members will be aware, the annual review of Fund Governance and Strategy documents was reported to Committee on [22nd March 2021](#).

4.0 GOVERNANCE AND STRATEGY DOCUMENTS - FUNDING STRATEGY STATEMENT AND ADMINISTRATION STRATEGY

4.1 Further to the annual review of Governance and Strategy documents being reported to Committee on 22nd March 2021, the Funding Strategy Statement and Administration Strategy were updated to take account of the statutory guidance published by the Ministry of Housing, Communities & Local Government (MHCLG) to assist LGPS administering authorities and scheme employers in implementing and operating the regulations on 'employer flexibilities'.

4.2 As part of this process, Fund Employers have been consulted and feedback considered, and updated draft documents are included at Appendix 1 (Funding Strategy Statement) and Appendix 2 (Administration Strategy) for Committee's consideration and, if deemed appropriate, approval.

4.3 For Members information, no further updates are proposed to other Fund Governance and Strategy documents at this time.

5.0 CONCLUSION

5.1 This report sets out, for the Committee, updated Funding Strategy Statement and Administration Strategy governance documents for review and consideration in line with the Terms of Reference.
