

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2021-22**

**PENSION FUND COMMITTEE**

**8<sup>th</sup> MARCH 2022**

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

<b>AGENDA ITEM NO. 6</b>
<b>ANNUAL REVIEW OF FUND GOVERNANCE AND STRATEGY DOCUMENTS</b>

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**1.0 PURPOSE OF REPORT**

1.1 This report sets out the Fund Governance and Strategy 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 and consider any updates required to the Fund Governance and Strategy Documents as attached at Appendix 1 to 5; and

2.1.2 Approve the documents (subject to any required updates).

**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 This report sets out for the Committee the relevant Governance and Strategy Documents which fall within its remit and details the reporting arrangements for them.

#### **4.0 GOVERNANCE AND STRATEGY DOCUMENTS**

4.1 In line with regulatory requirements, the Fund has a duty to maintain and review (at least annually) a number of Governance and Strategy Documents, many of which need to be in place by the 1<sup>st</sup> April each year.

4.2 Accordingly, many of these have been reviewed by officers initially and considered by the Investment and Administration Advisory Panel and shared with the Pension Board. These are now presented to the Committee for review, comment and approval as appropriate.

4.3 Set out in table 1 below are the relevant documents, as detailed in the terms of reference, and the proposed reporting arrangements to this Committee. Those now reported for consideration by the Committee are shown.

**Table 1 – Strategy and Governance Documents**

<b>ToR Ref</b>	<b>Document</b>	<b>Committee Date</b>	<b>Comments</b>
i)	Governance Policy	8 <sup>th</sup> March 2022	<b>Updated</b> , revised Policy attached at Appendix 1
i)	Compliance Statement	8 <sup>th</sup> March 2022	Attached as Appendix 2
ii)	Funding Strategy Statement	8 <sup>th</sup> March 2022	No change
iii)	Investment Strategy Statement	8 <sup>th</sup> March 2022	<b>Updated</b> , revised Statement attached at Appendix 3
iv)	Myners Compliance Statement	8 <sup>th</sup> March 2022	No change
v)	Stewardship Code	8 <sup>th</sup> March 2022	No Change

vi)	Administration Strategy	8 <sup>th</sup> March 2022	<b>Updated,</b> revised Strategy attached at Appendix 4
vii)	Communications Strategy	8 <sup>th</sup> March 2022	<b>Updated,</b> revised Strategy attached at Appendix 5
viii)	Discretions	8 <sup>th</sup> March 2022	No Change
ix)	Internal Dispute Resolution Procedure	8 <sup>th</sup> March 2022	No Change

## 5.0 **CONCLUSION**

- 5.1 This report sets out, for the Committee, the key Fund Governance and Strategy Documents for review and consideration in line with the Terms of Reference.

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