

**TEESSIDE PENSION FUND**  
Administered by Middlesbrough Council

**AGENDA ITEM 9**

**INVESTMENT PANEL REPORT**

**27 SEPTEMBER 2017**

**STRATEGIC DIRECTOR FINANCE, GOVERNANCE & SUPPORT – JAMES BROMILEY**

**GOVERNANCE REVIEW – UPDATE**

**1. PURPOSE OF THE REPORT**

- 1.1 To inform Members of the Teesside Pension Fund and Investment Panel (the Panel) of progress to date with the governance review resulting from an action in the 2015/16 External Auditor (EY) report (observations and recommendation) and the report to the previous Panel meeting in June.

**2. RECOMMENDATION**

- 2.1 That Members note the progress made to date, and pass any comment, and agree the following:
- Governance Policy and Compliance Statement (Appendix A)
  - Officers' Scheme of Delegation (Appendix B)
  - Administration Strategy (Appendix C)
  - Communication Strategy (Appendix D)

**3. FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications from this report.

**4. BACKGROUND**

- 4.1 A review of the Annual Report and Financial Statements (2015/16) was undertaken by EY. During the course of the audit EY were asked to comment on how the governance of the Fund compares to other large pension schemes and they set out some high level observations.
- 4.2 One of the actions agreed was to form a small working group made up from officers of the Fund and Members of both the Teesside Pension Fund and Investment Panel and Teesside Pension Board to develop the policies and strategy documents required

for compliance with the LGPS Regulations and review the terms of reference for both the Panel and the Board.

## **5. SUMMARY OF KEY CHANGES**

5.1 As reported to the June Panel meeting the outcome of the review and the work completed by the working group, the following key changes will be made:

- The Panel will change its name to the Teesside Pension Fund Committee (the Committee).
- Membership of the Committee and Board will be for four years, fitting in with the electoral cycle.
- The Panel currently has membership availability for scheme members/trade unions, but these are non-voting positions. The Committee will have two voting positions for scheme members/trade unions.
- The Teesside Pension Board Members will serve for a period of four years, fitting in with the electoral cycle.
- Pension Board Members are able to attend Pension Fund Committee meetings as observers, including for any exempt items.
- The current business plan is focussed more on investments. This plan will be extended to include more Pension Administration and Governance, including key performance indicators and budgets for pension administration and governance.
- An annual Employer Forum will be introduced for scheme employers to attend and receive update on the Fund.

## **6. PROGRESS MADE SINCE THE LAST PANEL MEETING**

6.1 The outstanding policies and strategies have been completed and are attached for Members approval.

6.2 A report is being prepared for the November 2017 full Council meeting to make the changes to the terms of reference for the Panel and Board.

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