

Avon Pension Fund

Local Government Pension Scheme

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Dear scheme employer,

Re: Consultation on proposed changes to Avon Pension Fund Committee

I am writing to all scheme employers to consult on proposed changes to the governance arrangements of the Avon Pension Fund.

The existing governance arrangements including the Committee and Investment Panel structures have been in place since 2006 with very little change. However the environment within which the Committee and Panel operates has changed dramatically including increased regulatory oversight via the Pensions Regulator, Scheme Advisory Board and our own Local Pension Board, the introduction of Pooling and formation of Brunel Partnership, European legislation in respect of Investments I compliance and an overall increase in regulatory requirements. The LGPS itself has undergone two fundamental changes in 2008 and 2014, there has been a significant increase in Fund employers and the investment strategy is increasingly technically complex.

It is therefore timely to review the existing governance arrangements to ensure the Fund remains fit for purpose, has sufficient capacity to focus on key strategic issues and can operate efficiently in what has become an extremely complex and dynamic environment

The Avon Pension Fund Committee is therefore consulting with all employers on the changes proposed to the Committee structure.

In summary the proposed changes to Committee membership are:

- a) A reduction in Bath and North East Somerset Council representation from five to three members
- b) Addition of a further Independent Member to the Committee
- c) Addition of an Academy Representative

A comparison with the current and proposed structures is shown below:

Current Committee structure

Voting members (total 12)	5 elected members from Bath and North East Somerset Council
	1 elected member from each of Bristol City, South Gloucestershire and North Somerset councils (3)
	2 independent trustee members
	1 nominated from Higher/Further Education bodies
	1 nominated by the Trades Unions
Non-voting members (total 4)	1 nominated from the Town and Parish Councils
	Up to 3 nominated from the different Trades Unions

Proposed future Committee structure

Voting members (total 12)	3 elected members from Bath and North East Somerset Council
	1 elected member from each of Bristol City, South Gloucestershire and North Somerset councils (3)
	3 independent trustee members
	1 nominated from Higher/Further Education bodies
	1 nominated from Academy bodies
	1 nominated by the Trades Unions
Non-voting members (total 3)	1 nominated from the Town and Parish Councils
	Up to 2 nominated from the different Trades Unions

Full details of the proposed changes can be read in the *Review of governance arrangements* report discussed at Committee on Friday 7 December. This can be viewed at:

[Item 9 - Review of governance arrangements](#)

Additional documents:

[Item 9 – Appendix 1 - Proposed Terms of Reference of Avon Pension Fund Committee](#)

[Item 9 – Appendix 3 - Current Terms of Reference of Avon Pension Fund Committee](#)

Role of Committee members:

The role of the Committee is to discharge the responsibilities of Bath and North East Somerset Council in its role as lead authority for the administration of the Avon Pension Fund. This includes determination of all Fund specific policies concerning the administration of the Fund, the investment strategy and the investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for all financial, regulatory and compliance requirements of the Fund. At all times, the Committee must discharge its responsibility in the best interest of the Avon Pension Fund.

How to have your say

Please read the report and additional documents. If you have any comments about the proposed governance changes please email them to Apfemployers@bathnes.gov.uk by Friday 15 February.

Please use **Committee consultation** in the subject heading

Specifically the Committee would like to know:

- If you agree with the proposed changes to the membership of the Pension Committee?
- If not, then please provide your view?
- Any other comments on the committee arrangements

What happens next?

Any changes to the Committee structure have to be agreed by the Committee firstly and then ratified by the Council as part of its constitutional arrangements, the timetable for which is as follows

- Consultation with employers ends 15 February 2019
- Consultation/proposals considered at Pensions Committee meeting 22 March 2019
- Proposals to Full Council May 2019
- If approved committee member recruitment will begin. Full details of this process will be made available in due course.

Yours sincerely



Tony Bartlett
Head of Business Finance and Pensions
Bath and North East Somerset Council