

Suffolk Pension Fund Governance Policy Statement 2016

Purpose

1. With effect from April 2006, Pension Fund administering authorities have been required to prepare and publish a governance policy statement. The policy statement must set out:

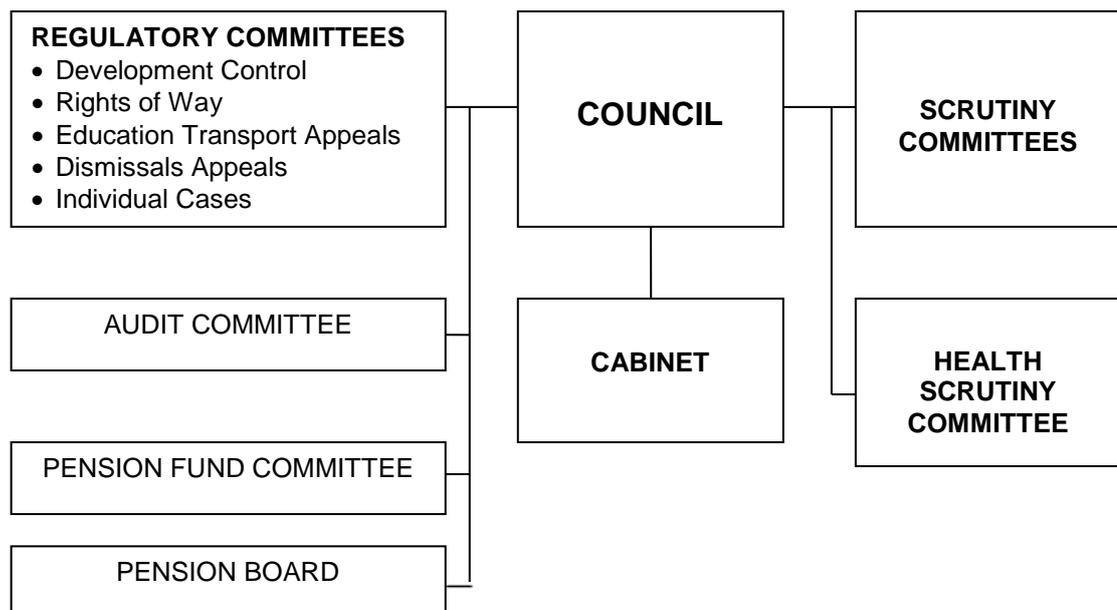
“whether the administering authority delegates its functions in relation to the pension fund to a committee, a sub-committee or an officer of the Council; and where this is the case, details of:

 - (i) the frequency of any committee’s meetings;
 - (ii) the terms of reference, structure and operational procedures in relation to the use of delegated powers;
 - (iii) whether the committee includes representatives of employers or scheme members; and if so, whether they have voting rights.”

2. This policy statement sets out Suffolk County Council’s arrangements for discharging its responsibilities for Pension Fund matters.

Governance of the Suffolk Pension Fund

3. Under the Cabinet structure in local government, management of the Pension Fund is a non-executive function and this is reflected in the Suffolk governance structure that is set out below:



Pension Fund Committee Terms of Reference

4. The terms of reference for the Pension Fund committee are set out below:
 - (a) To be responsible for the effective and prudent management of the Suffolk Pension Fund, having proper regard to the professional advice that it receives.
 - (b) To approve and maintain the fund's statement of investment principles.
 - (c) To consider and approve the fund's funding strategy statement.
 - (d) To review and set the Pension Fund's asset allocation.
 - (e) To appoint fund managers and other providers of professional services for the fund and to review from time to time their terms of appointment.
 - (f) To review and set investment objectives for the fund managers.
 - (g) To receive information on the fund's performance on at least a quarterly basis and to consider future asset allocation and investment strategy.
 - (h) To meet with the fund's investment adviser on at least a quarterly basis to consider the performance of the fund managers.
 - (i) To consider the results and impact of the triennial actuarial valuation and any interim valuation reports.
 - (j) To publicise their stewardship role to all scheduled and admitted bodies of the Pension Fund and to all contributors and beneficiaries by means of an annual report and annual meeting for employers and other stakeholders.
 - (k) To consider and approve if appropriate, the applications of organisations to be admitted bodies of the fund.
 - (l) To consider any other relevant matters on the administration of the Pension Fund investments.
 - (m) 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.
 - (n) To be responsible for any other matters which fall within the Council's responsibilities as the administering authority for the Pension Fund.

Operational Procedures

5. The committee shall have at least four regular meetings scheduled each year. At these meetings the committee will receive a report on the investment performance of the fund in the quarter.
6. The committee will receive an annual report from the fund's independent performance measurement adviser to review the long-term performance of the fund and the fund's investment managers. In addition, the committee will hold meetings as required, to discuss specific issues, such as the actuarial results, to review the overall investment strategy of the fund and to examine manager performance in greater depth.

7. If a casual vacancy occurs on the committee, it will not be filled until the nominated member has received appropriate training. Substitutes will only be allowed if they have received appropriate training in the business and responsibilities of the committee.

Communication and Reporting

8. All employers and other stakeholders in the Suffolk Pension Fund will be invited to an annual meeting each year with the Pension Fund committee. The meeting will consider reports on the fund's performance and its actuarial position.
9. The Pension Fund's web site will publish relevant documents and reports relating to the Pension Fund, including the annual report, the statement of investment principles, the funding strategy statement and the fund's policy statement on proxy voting.

Membership of Pension Fund Committee

10. The Pension Fund committee will consist of seven county councillors. Its membership will reflect the political balance of the County Council.
11. There will be in addition two co-opted district or borough councillors, with voting rights, who will be nominated annually by the Suffolk Public Sector Leaders Group.
12. There will also be one co-opted scheme member representative, who will have voting rights, and who will be nominated annually by UNISON. The scheme member representative will represent the interests of employee members and pensioner and deferred pensioners.

Pension Board Terms of Reference

13. The role of the Pension Board as defined by sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to –
 - a) Assist the Council as Scheme Manager:
 - i. to secure compliance with the Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the LGPS;
 - ii. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
 - iii. in such other matters as the LGPS Regulations may specify.
 - b) Secure the effective and efficient governance and administration of the LGPS of the Suffolk Pension Fund

14. The Pension Board is to effectively and efficiently comply with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
15. The Pension Board will also help ensure that the Suffolk Pension Fund is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.
16. The Pension Board will 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.
17. The Pension Board shall have access to the Council, Pension Fund committee, or any other body or officer that it considers appropriate, in order to fulfil its obligations.

Membership of Pension Board

18. The Board will consist of six members - three Pension Fund employer representatives, and three Pension Fund member representatives. No Board member may also be a member of the Pension Fund committee.
19. The Council will arrange for the selection of the employer and member representatives, ensuring that any vacancies are advertised appropriately in order to provide an opportunity for all to apply, including those from minority groups.

Responsibilities of the Director of Resource management for Pension Fund matters

20. The Council's Director of Resource Management, the responsible financial officer under section 151 of the Local Government Act 1972, is responsible for all arrangements concerning the Pension Fund within the scope of the policies that are approved by the Pension Fund committee.
21. The Director of Resource Management will ensure that the Pension Fund complies with the regulations governing the administration and the investment of the Local Government Pension Fund Scheme as amended from time to time by the Secretary of State for Communities and Local Government.
22. The Director of Resource Management will ensure that the Pension Fund complies with Council's Financial Regulations.

CIPFA Code of Practice

23. The Pension Fund adopts the key recommendations of Public Sector Pensions Finance - Knowledge and Skills: A CIPFA Code of Practice.

24. The Pension Fund recognises that effective financial management and decision-making⁽¹⁾ can only be achieved where those involved have the requisite knowledge and skills.
25. Accordingly the Pension Fund will create and maintain formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial management and decision-making.
26. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.
27. The Pension Fund will report on an annual basis how these policies have been put into practice throughout the financial year.
28. This organisation has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Director of Resource Management who will act in accordance with the organisation's policy statement, and, where if they are a CIPFA member, with the CIPFA Standards of Professional Practice (where relevant).

Note (1) In this context, decision-makers are those with executive authority serving on governing bodies: boards, pensions fund committees, investment committees etc.

