



Buckinghamshire County Council

Agenda

PENSION FUND COMMITTEE

Date	Thursday 28 February 2008
Time	9.30 am
Venue	Mezzanine Room 3, County Hall, Aylesbury

Agenda Item	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	
2 DECLARATIONS OF INTEREST To declare any personal and prejudicial interests	
3 MINUTES of the meeting held on 29 November 2007, to be confirmed.	1 - 6
4 CORE PLUS BONDS AND DIVERSIFIED GROWTH Presentation from Henderson Global Investors.	
5 FUND MANAGERS' PERFORMANCE Report of Julie Edwards, Treasury Manager (Finance)	7 - 14
6 GOVERNANCE COMPLIANCE STATEMENT Report of Clive Palfreyman, Assistant Head of Finance (Corporate Financial Services)	15 - 20
7 DATE OF NEXT MEETING The next meeting of the Committee will be held on Thursday 17 April 2008.	

Dates of future meetings:

2008	2009
29 May	5 March
11 September	2 April
23 October	
20 November	

8	EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)	
9	CONFIDENTIAL MINUTES Of the meeting held on 29 November 2007, to be confirmed.	21 - 24
10	PENSION FUND INVESTMENT STRATEGY Report of Mercer Investment Consulting	25 - 40

*For further information please contact: Maureen Keyworth on 01296 383603
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Members

Mr S Crooks	Mr C Jones
Mr F Downes (C)	Mr D Meacock
Mr P Gerrella	Mr D Phillips
Mr P Hardy (VC)	J Wassell
Mr Q Ings-Chambers	



Buckinghamshire County Council

Minutes

PENSION FUND COMMITTEE

MINUTES OF THE MEETING OF THE PENSION FUND COMMITTEE HELD ON THURSDAY 29 NOVEMBER 2007, IN LARGE DINING ROOM, JUDGES LODGINGS, COMMENCING AT 2.00 PM AND CONCLUDING AT 5.48 PM.

MEMBERS PRESENT

Mr S Crooks, Mr F Downes (Chairman), Mr P Gerrella, Mr P Hardy (Vice-Chairman) and Mr C Jones

OFFICERS PRESENT

Harriet Anthony, Mercer Investment Consulting
Julie Edwards, Treasury Manager (Finance)
Graeme Muir, Barnett Waddingham LLP
Keith Neale, Independent Adviser
Anwen Owens, Mercer Investment Consulting
Clive Palfreyman, Assistant Head of Finance (Corporate Financial Services)
Julie Vrondis, Pensions Manager
Jacqueline Yates, Head of Finance

AGENDA ITEM

1. APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from David Meacock, Don Phillips and Quintin Ings-Chambers.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held on 20 September 2007 were confirmed.

4. ACTUARIAL VALUATION

Members received a presentation on the three year Actuarial Valuation from Graeme Muir, Barnett Waddingham LLP. A copy of the presentation was attached to the agenda for the meeting.

Key points were:

- The need to set the level of contribution for employers in order to provide sufficient funds for all pension fund members to receive their pensions.

- Stable contribution rates are important.
- The actuarial valuation is used to agree a funding plan, but the FRS 17 valuation relates to the actual cost of pensions.
- The value of assets rose higher than anticipated over the last three years and the funding level has increased from 60% to 84%. However, ongoing costs increased to 13.4% of payroll and deficit contributions are still required.
- Once mortality has been considered, the funding level drops to 81%
- Under the new Scheme which will come into place in 2008, employee contribution rates will vary according to salary.
- The mortality rate has improved during the 20th Century and the rate of improvement is accelerating.
- It was suggested that the current employer's contribution rate should at least remain the same in order to help pay off the deficit.

Members noted it was unlikely that pension fund levels would reach those in the 80's when companies were able to take 'pension holidays'.

The Committee noted that the actuarial report will remain in draft until March 2008 should members wish to make any further amendments.

The Chairman thanked Mr Muir for his presentation.

5. PENSION FUND CONSULTATIVE GROUP - UNCONFIRMED MINUTES

Members received the unconfirmed minutes of the Pension Fund Consultative Group, which had its first meeting on 26 October 2007.

The Pension Fund Consultative Group had come into being as a result of the change in the governance arrangements.

The Chairman informed members that the first meeting had been very positive. An overview of the Pensions Administration Team had been presented and the AVC Options report had led to a recommendation from the Group to the Pensions Fund Committee. This is covered under item 6 of the Agenda.

The next meeting of the Consultative Group will be held on Tuesday 11 March 2008.

6. AVC OPTIONS PRESENTATION

Members received the Report and presentation of Julie Vrondis, Pensions Manager.

This report had been presented to members of the Pensions Fund Consultative Group, who had agreed to recommend to the Committee that the Prudential AVC Scheme be opened to members of the Pension Fund.

The Prudential was appointed as a provider in 1989. However, a review of providers was undertaken in 2000 and Clerical Medical was appointed in place of Prudential. Those Pension Fund members who were already paying into Prudential were able to continue doing so.

Currently, Prudential is the leading AVC provider in the market. Members noted that existing Clerical Medical members would be able to transfer if they wished.

RESOLVED

The Committee APPROVED the opening of the AVC Scheme with Prudential.

7. FUND MANAGERS' PERFORMANCE

Members received the report of Julie Edwards, Treasury Manager, the purpose of which was to present the performance of the Pension Fund's managers for the third quarter of 2007.

The following was noted:

- During the three month period to 30 September 2007, the Fund had increased in value from £1,242m to £1,268m.
- Alliance Bernstein, Blackrock, Mirabaud and Morley had outperformed their benchmark for the third quarter, and Morley, Mirabaud, Blackstone and Blackrock had outperformed throughout the year.
- The Fund has a gross return of 0.9% compared to the 0.8% benchmark.
- During this quarter the Pension Fund was ranked in the 28th percentile in the WM local authority universe. In the year to 30 September 2007 it was ranked 40th, and over an average of three years to the end of September 2007 it was ranked 38th. The five year average is 30th percentile.

8. PENSION FUND STATEMENT OF ACCOUNTS

Members received the report of Julie Edwards, Treasury Manager.

The Statement of Accounts was approved by Regulatory and Audit Committee at its meeting on 28 September 2007.

In the year to 31 March 2007 the value of the Pension Fund had increased by £118m to £1.205bn. Contributions were £103m; Expenses £59m and returns on investments amounted to £74m.

The Committee NOTED the Report.

9. RISK ASSESSMENT FOR THE PENSION FUND - UPDATE

Members received the report of Julie Edwards, Treasury Manager, the purpose of which was to update the Committee on the Pension Fund risk register.

In discussion the following was noted:

- P6 – *If local Government restructures then an increase in early retirements, increase in administration costs and impact on revenue.*
It was agreed that the untreated score should remain the same until the Joint Improvement Board had made decisions regarding shared back office services in February. A further report would be presented in six months time.
- P11 – *If there is an underestimation of pensioner longevity then there will be a failure to have high enough pension contributions and increased pressure on future contributions.*
It was agreed that the Assistant Head of Finance would review this item in order to reflect the actions put in place as a result of the recent actuarial valuation.

10. GOVERNANCE POLICY

Members received the Report of the Assistant Head of Finance, Corporate Financial Services, which informed members that the Pension Fund's Governance Policy Statement has been updated in order to take account of revised governance arrangements implemented in May 2007. This reflected the good practice and reporting arrangements in place.

Officers were currently in the process of developing an Administration Strategy which

would be presented to the Committee for approval, at a future meeting. The Strategy will form the umbrella for administrative framework.

The Chairman requested that this item be presented to the Pension Fund Consultative Group at its next meeting.

Discussion took place regarding the amount of training which members were undertaking. Apart from regular training sessions at least twice a year, presentations from Fund Mangers and attendance at conferences were also part of the training programme. Members agreed that consistency of training and attendance at courses was vital to the work of the Committee. Even though officers were able to provide advice on the Pension Fund, the Committee itself was responsible for the decisions made and should have an understanding of how things work in general terms.

The Committee agreed it was important to establish a training programme for next year on the basis of the training needs analysis carried out earlier in the year.

With regard to the flowchart showing responsibilities, members noted that the County Council is the Authority with statutory responsibility for the Pension Fund, and reports annually to the other employers involved. The Chairman also commented that a report on the work of the Pension Fund Committee should also be made annually.

11. DATE OF NEXT MEETING

The next meeting of the Committee will be held on 21 February 2008 in Mezzanine Room 3. (*Addendum: subsequent to this meeting the date of the next meeting was changed to 28 February 2008.*) Dates of future meetings are as follows:

2008	2009
17 April	5 March
29 May	2 April
11 September	
23 October	
20 November	

12. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

13. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 29 November 2007 were confirmed.

14. PENSION FUND CONSULTATIVE GROUP - CONFIDENTIAL UNCONFIRMED MINUTES

Members received, for information, the confidential minutes of the Pension Fund Consultative Committee meeting held on 26 October 2007 and noted their contents.

15. PENSION FUND INVESTMENT STRATEGY

Members received a summary and presentation from Anwen Owens and Harriet Anthony of Mercer Consulting.

It was agreed that Mercer Consulting would produce model structures for the Committee to discuss.

CHAIRMAN



Report to Pension Fund Committee

Title: Fund Managers' Performance

Date: 28 February 2008

Author: Treasury Manager

Contact Officer: Julie Edwards 01296 383910

Electoral Divisions Affected: n/a

Portfolio Areas Affected: None

Summary

To present the performance of the Pension Fund's managers for the fourth quarter of 2007.

Recommendation

The Committee is asked to note the report and comment as appropriate.

A. Main issues arising

Fund Value and Asset Allocation

The market value of the Fund increased from £1,268m to £1,284m during the three months ending 31 December 2007. Table 1 below shows the asset allocation, the distribution of investments across categories of assets, such as cash, equities and bonds:

TABLE 1		
Asset Allocation by Class at 31 December 2007	£m	£m
Equities		
UK		404
Overseas		447
North America	163	
Europe (ex UK)	149	
Japan	53	
Developed Pacific (ex Japan)	23	
Emerging Markets	59	
Bonds		234
Fixed Interest Gilts	193	
UK Index-Linked Gilts	41	
Property		92
Private Equity		1
Absolute Return Funds		61
Cash		45
		1,284

Table 2 below shows how the Fund's assets as at 31 December 2007 varied from the planned allocation, the percentages change each quarter since the different asset classes generate different returns.

Bonds' performance compared to equities in the previous 12 months has resulted in the value of bonds as at 31 December falling below the planned allocation by 1.4%.

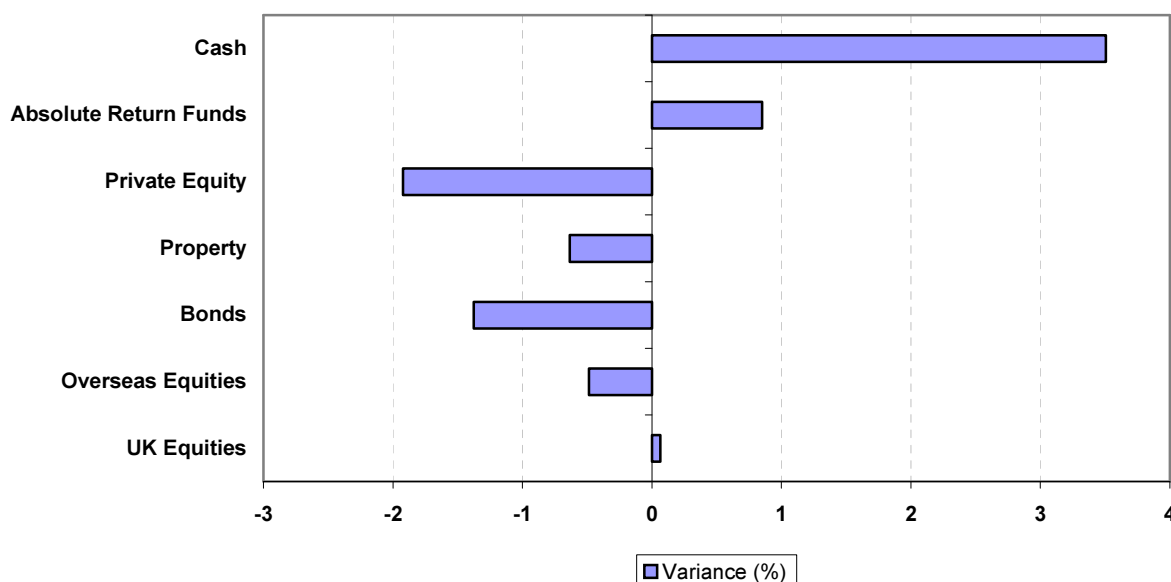
Pension Fund cash exceeds the asset allocation by 3.5% since employee and employer contributions exceed the cost of benefits and administration; following the Pension Fund Committee's decision earlier this year the cash held at 31 December includes cash allocated to Morley Fund Management, the property manager and other cash balances held by the fund managers for cash flow purposes. Morley is investing the cash on behalf of the Pension Fund until investment opportunities in European property are identified.

The 2% investment in private equity fund of funds, managed by Pantheon Private Equity, will be staggered over the next few years when investment opportunities arise and Pantheon calls on the cash from the Fund; in the meantime the Committee has agreed that up to an additional 2% has been allocated to UK equities.

TABLE 2			
Asset Class	Asset Allocation as at 31 Dec 2007 %	Strategic Asset Allocation %	Variance From Strategic Allocation %
Equities			
UK	31.5	31.4	0.1
Overseas	34.8	35.3	-0.5
Bonds	18.2	19.6	-1.4
Property	7.1	7.8	-0.7
Private Equity	0.1	2.0	-1.9
Absolute Return Funds	4.8	3.9	0.9
Cash	3.5	0.0	3.5
	100.0	100.0	0.0

Graph 1 shows the percentage difference of the Fund's assets as at 31 December 2007 compared to the investment strategy.

Graph 1 - Variance from Strategic Asset Allocation



The value of the Fund and the mandate managed by each fund manager at 31 December 2007 is shown in Table 3 below:

Fund Manager	Mandate	£m	%
Alliance Bernstein	Less constrained global equities	112	9
Blackrock	Cash / inflation plus	22	2
Blackstone	Hedge fund of funds	40	3
Capital International	Global equities	126	10
LGIM*	Passive global equities and bonds	439	34
LGIM*	Bonds	184	14
Mirabaud	UK equities	141	11
Morley	Property fund of funds	115	9
Pantheon	Private Equity	1	0
Standard Life	Less constrained UK equities	99	8
Pension Fund	Cash	5	0
Total		1,284	100

*LGIM – Legal and General Investment Management

Fund Managers Quarterly Performance to 31 December 2007

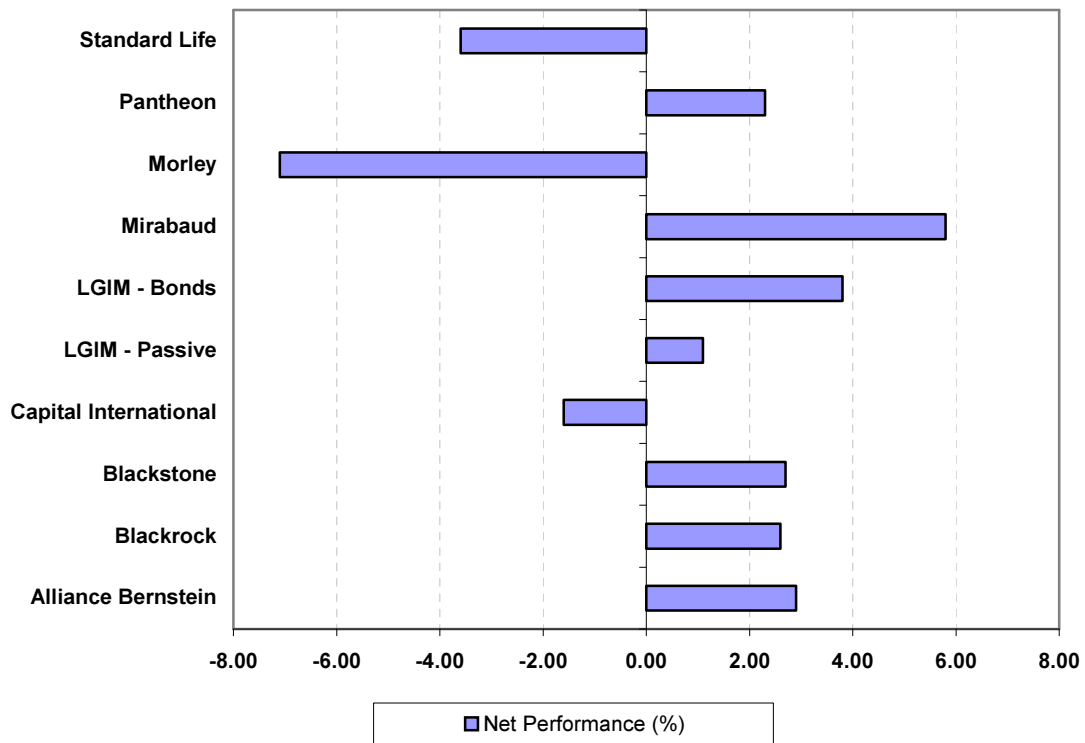
The combined Fund achieved a gross return of 0.8% compared to its benchmark return of 0.4%, an outperformance of 0.4% for the quarter to 31 December 2007. Table 4 overleaf shows the fund managers' net performance compared to the benchmark:

Fund Manager	Mandate	Net Performance %	Benchmark %	Net Relative Return %
Alliance Bernstein	Less constrained global equities	2.9	0.0	2.9
Blackrock	Cash / inflation plus	2.6	1.4	1.2
Blackstone	Hedge fund of funds	2.7	1.4	1.3
Capital International	Global equities	-1.6	0.9	-2.5
LGIM	Passive global equities & bonds	1.1	1.1	0.0
LGIM	Bonds	3.8	3.8	0.0
Mirabaud	UK equities	5.8	-0.3	6.1
Morley	Property fund of funds	-7.1	-8.2	1.1
Pantheon	Private Equity Fund of Funds	2.3	-	-
Standard Life	Less constrained UK equities	-3.6	-0.3	-3.3
			0.4	

For the quarter to 31 December 2007 Alliance Bernstein, BlackRock, Blackstone, Mirabaud and Morley have outperformed their benchmarks. Capital International and Standard Life have underperformed their benchmarks by –2.5% and –3.3% respectively. There is no benchmark for Pantheon since returns in the early years of a private equity fund's life are not generally meaningful due to accepted industry valuation standards.

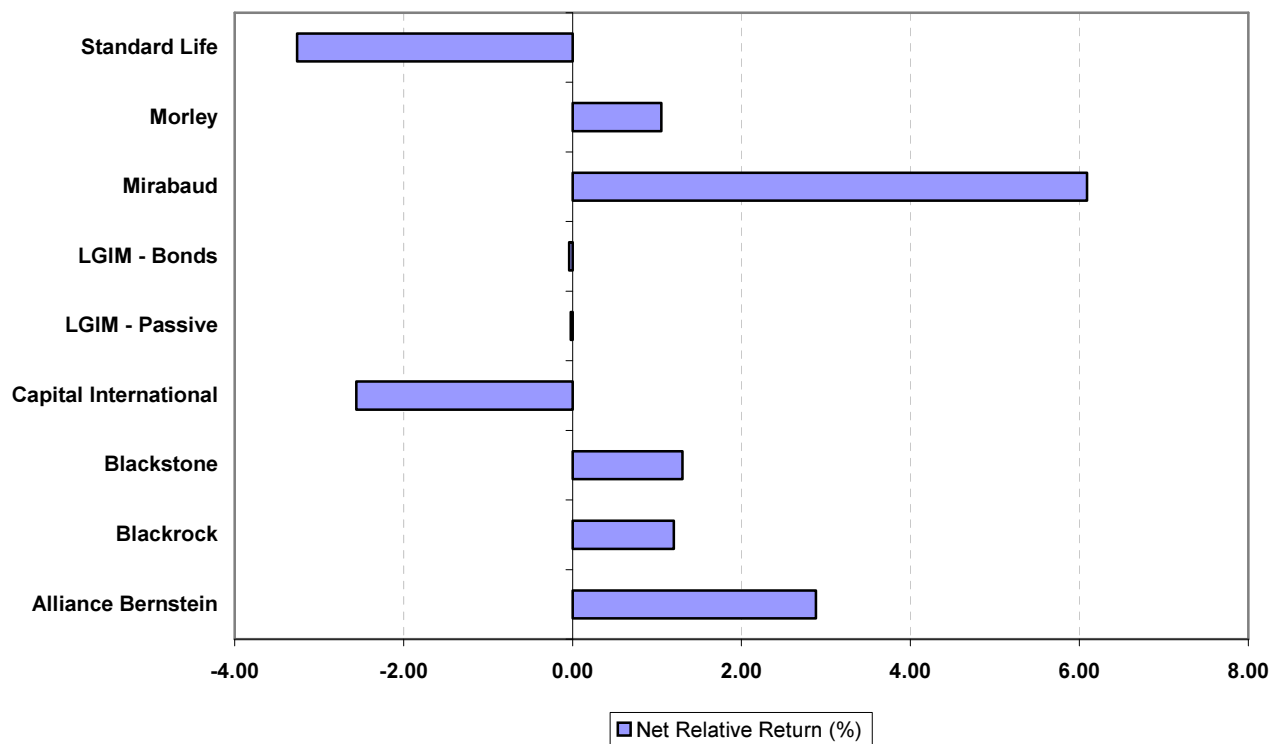
Graph 2 - Fund Managers' Net Performance for the Quarter

Fund managers' actual performance after fees.



Graph 3 - Fund Managers' Net Relative Return for the Quarter

Fund managers' performance after fees compared to their benchmark

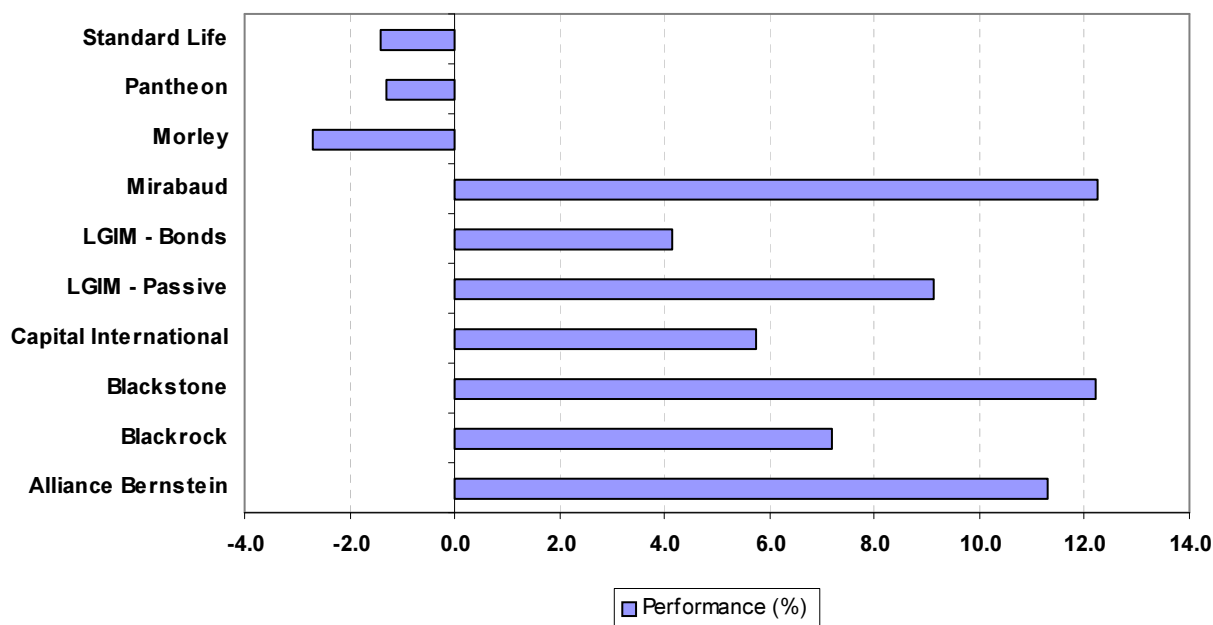


Fund Managers Annual Performance to 31 December 2007

In the year to 31 December the whole Fund out performed its benchmark by 0.1% achieving an annual return gross of fees of 6.7%.

Graph 4 - Fund Managers' Net Annual Performance

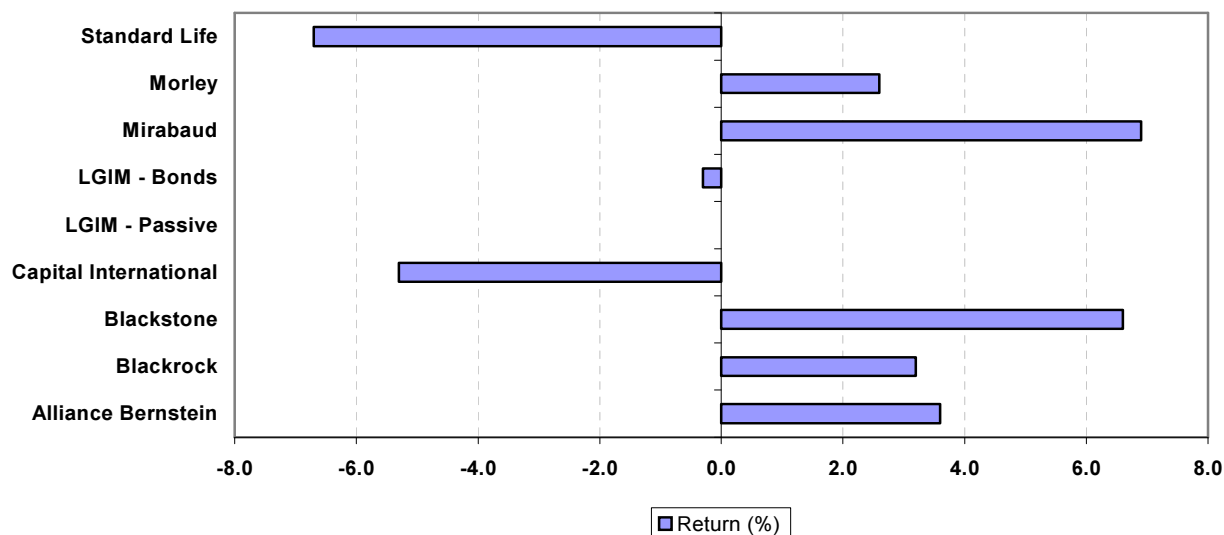
Most of the mandates have generated a positive return for the year.



Standard Life achieved a return of -0.4% underperforming its benchmark by 5.7% . Morley achieved a return of -2.7% reflecting the downturn in commercial property; however, they outperformed their benchmark by 2.6% . Pantheon achieved a return of -1.3% ; private equity mandate is expected to generate negative returns in the early stages of investment.

Graph 5 - Fund Managers' Net Annual Relative Return

Graph 5 shows the fund managers' performance after fees over the previous 12 months against their benchmark. Morley, Mirabaud, Blackstone, BlackRock and Alliance Bernstein have all outperformed their benchmarks. Standard Life, LGIM – active bonds and Capital International have underperformed their benchmarks. LGIM – passive which tracks the changes in the equity and bond markets has matched its benchmark.

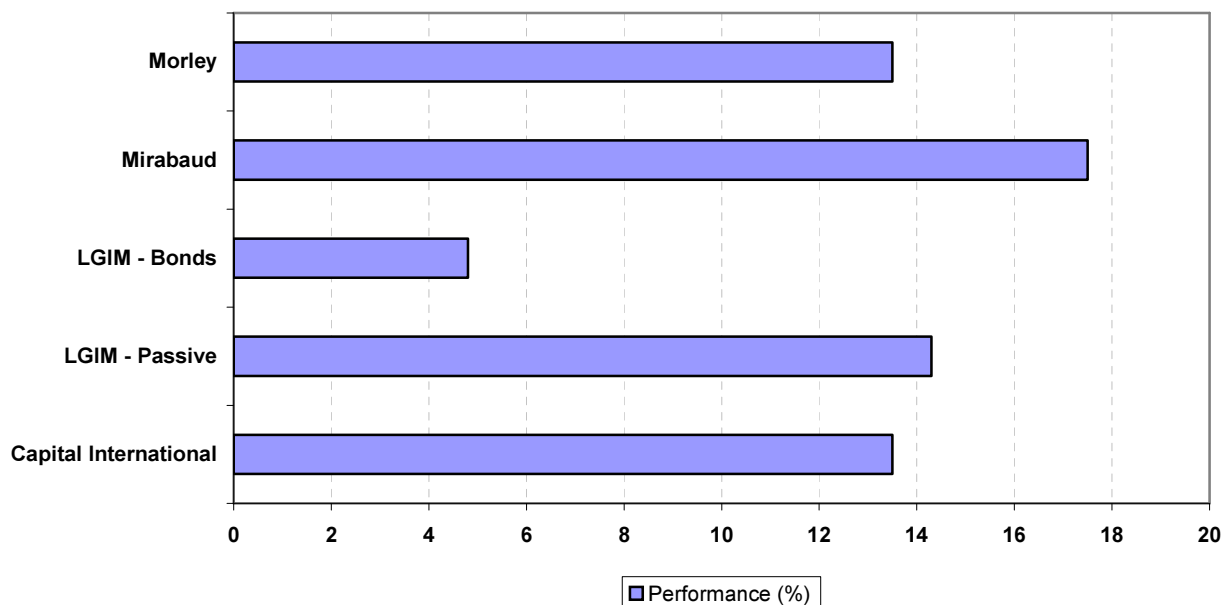


Fund Managers Three Year Performance to 31 December 2007

The Fund achieved a return gross of fees of 12.9% per annum in the 3 years to 31 December 2007 outperforming its benchmark by 0.4% for that period.

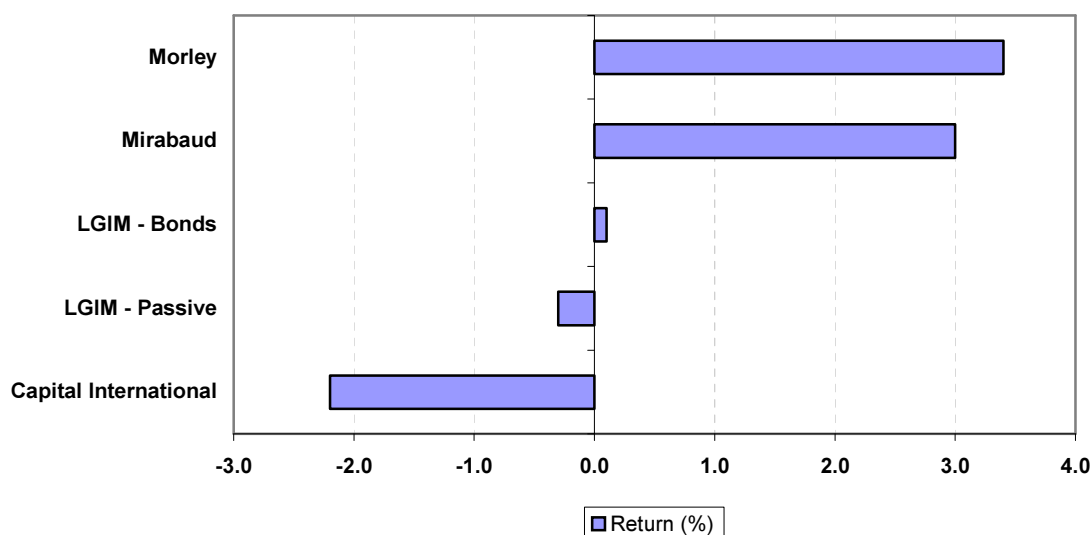
Graph 6 - Fund Managers' 3 Year Performance

Graph 6 shows the fund managers' gross actual performance over the previous three years, Morley, Mirabaud, LGIM – active bonds, LGIM – passive and Capital International have been managing funds for 3 years.



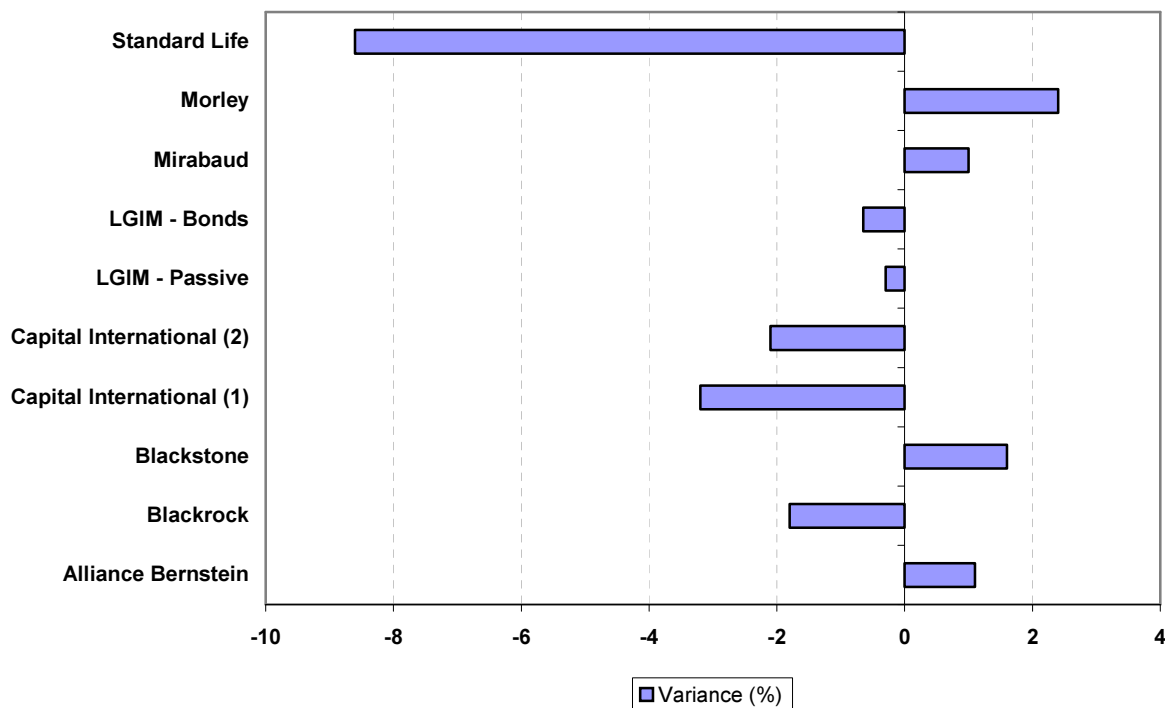
Graph 7 - Fund Managers' 3 Year Relative Return

Graph 7 shows the fund managers' gross performance over the previous three years against their benchmark, three years is a pension industry standard timescale for performance comparisons. Over the three years Morley has outperformed its benchmark of 10.1% by 3.4%, Mirabaud has outperformed its benchmark of 14.5% by 3.0%, LGIM – active bonds has outperformed its 4.7% benchmark by 0.1%, LGIM – passive has underperformed its benchmark of 14.6% by 0.3% and Capital International has underperformed its benchmark of 15.7% by 2.2%.



Graph 8 - Fund Managers' Performance Compared to Fund Manager Objectives

Graph 8 shows the fund managers' performance over the previous three years compared to the fund managers' objectives. Morley and Mirabaud have achieved their objectives over the 3 years. Blackstone and BlackRock have achieved their objectives over the 1 year timescale monitored since their mandates have been in place less than 3 years. No other fund managers have achieved their objectives as at 31 December 2007.



- (1) Relates to the out-performance objective (see fund manager objectives);
 (2) Relates to the limiting under-performance objective (see fund manager objectives).

Notes to Graph 8

- Alliance Bernstein, BlackRock, Blackstone and Standard Life performances are shown for one year, the mandates have only been in place since Quarter 4 2005 and 3 year performance data is not yet available.

Fund Manager Objectives

The objectives for each fund manager are as follows:

- Alliance Bernstein: to achieve a return 3% per annum above the benchmark return over full market cycles, gross of fees.
- Blackrock: RPI +5% net of fees per annum.
- Blackstone: cash plus 5% over a full market cycle.
- Capital International: to out-perform its benchmark by 1% per annum over a three year rolling period and limit under-performance to 3.0% in any twelve month period.
- Legal and General Investment Management (LGIM) – Passive: to match its benchmark return.
- LGIM – active bonds: to out-perform its benchmark by 0.75% per annum over a three year rolling period.
- Mirabaud – UK Equities: to out-perform its benchmark by 2% per annum over a three year rolling period.
- Morley Fund Management – Property: to out-perform its benchmark by 1% per annum over a three year rolling period.

- Standard Life – UK Equities: to exceed the benchmark by 3% per annum gross of all investment management fees over rolling 3 year periods.

Quarter 4 2007 Fund Performance in the Local Authority League Tables

The Buckinghamshire Pension Fund was ranked in the 25th percentile for the fourth quarter of 2007 in the WM local authority universe. In the year to 31 December 2007 the Fund was ranked 30th, over an average of 3 years to 30 September 2007 the Fund was ranked at 34th. The Fund's 5 year average is 38th percentile. The quarterly and annual performance recorded each quarter can be volatile; the three years and five years percentiles demonstrate the improving trend in the Fund's performance. Table 5 below shows the trend in the Funds quarterly, annual, 3 year and 5 year performance each quarter during 2006 and 2007.

TABLE 5								
	2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarterly	35	57	51	26	48	63	25	23
Annual	21	18	30	41	55	61	40	30
Three Years	40	41	56	50	51	56	38	34
Five Years	81	84	66	77	81	63	30	38

2007 Actuarial Valuation Survey

The 2007 Actuarial Valuation Survey showed that the average funding level for Pension Funds had increased from 71% in 2004 to 80% in 2007, the Buckinghamshire Fund increased from 66% in 2004 to 81% in 2007.

C. Resource Implications

Not applicable.

D. Legal Implications

None.

E. Other implications / issues

None.

F. Feedback from consultation and Local Member Views

Not applicable.

G. Communication Issues

A performance update is reported six monthly to the Pension Fund Consultative Group and annually to the Pension Fund's employers.

H. Progress Monitoring

To be reviewed by Committee quarterly.

I. Background Papers

None.



Report to Pension Fund Committee

Title: Governance Compliance Statement

Date: 28 February 2008

Author: Clive Palfreyman, Assistant Head of Finance

Contact Officer: Clive Palfreyman, Assistant Head of Finance

Electoral Divisions Affected: n/a

Portfolio Areas Affected: All

Summary

Local Government Pension Scheme Administering Authorities have been required since April 2006 to increasingly develop and publish governance frameworks. From 1 March 2008, each LGPS will be required to publish a Governance Compliance Statement.

Recommendation(s)

The Committee is asked to APPROVE the Governance Compliance Statement for publication on the Pensions Website.

A. Main issues arising

Attached at Appendix A is the draft Governance Compliance Statement for the Fund which complements the updated Governance Policy Statement approved by the Committee in November 2007. The objective of the Statement is to demonstrate the Fund's compliance with best practice principles. The move to a compliance-based approach reinforces the need for pension funds to have well-defined and transparent governance structures.

The Statement should then be used in conjunction with other statutory documents, such as the pension fund annual report and audit, as evidence that the Fund has strong governance procedures in place.

Guidance for development of the document outlines that the Statement must include the following information:

- The delegation arrangements (from the administering authority to a Committee and/or officers).
- Whether the committee or sub-committee includes representatives of employing authorities (including non-LGPS employers) or members, and if so, whether those representatives have voting rights.

- The frequency of any meetings, terms of reference, structure and operational procedures of the delegation.

In addition to the above, the Statement must outline:

- The extent to which a delegation complies with CLG guidance.
- Where the statement does not comply with the guidance, the reason for the non-compliance.

C. Resource Implications

N/A

D. Legal Implications

These requirements are contained in statutory guidance which is not mandatory but imposes an obligation to comply unless there is a good reason not to do so.

E. Other implications / issues

None.

F. Feedback from consultation and Local Member Views

The Head of Finance (s151 Officer), key Officers and the Chairman of the Pension Fund Committee have provided feedback in the development of the Statement.

G. Communication Issues

A copy of the Statement must be sent to the Department for Communities & Local Government and will be posted on the pensions website.

H. Progress Monitoring

To be reviewed by the Committee annually.

I. Background Papers

None.

Buckinghamshire County Council Pension Fund

Governance Compliance Statement

February 2008

1. Introduction

- 1.1 This is the governance compliance statement of the Buckinghamshire Pension Fund which operates as part of the Local Government Pension Scheme and is administered by Buckinghamshire County Council (the Council).
- 1.2 This statement has been prepared as required by the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2007.

2. Governance Arrangements

- 2.1 Under the terms of the Council's Constitution, the functions of the Council as Administering Authority of the Pension Fund are delegated to the Pension Fund Committee and are excluded from the delegation of authority to the Cabinet and other Committees. The Pension Fund Committee is supported by officers of the Council and the Pension Fund Consultative Group. Governance arrangements are outlined in the Pension Fund Governance Policy.
- 2.2 The Pension Fund Committee meets six times a year and its members act in a quasi-trustee capacity. Under the Constitution, it is responsible for administering, investing and managing the Fund. A further two meetings are held for training purposes. Terms of reference for the Committee are available on the website at: www.buckscc.gov.uk/pensions
- 2.3 The Pension Fund Consultative Group is an advisory forum making recommendations to the Pension Fund Committee on matters relating to the regulation and administration of the pension scheme including matters relating to employers within the scheme and members of the scheme. Meetings are held twice a year. Terms of reference are available on the Pensions website at: www.buckscc.gov.uk/pensions

3. Functions and Responsibilities

- 3.1 The Pension Fund Committee approves the Pension Fund's Funding Strategy, the Statement of Investment Principles, The Governance Policy and the Communications Policy. Other key responsibilities of the Committee include:
- Policy approval
 - Appointing Investment Managers
 - Appointing Advisers and Custodian
 - Monitoring Fund performance
 - Monitoring Scheme Governance
- 3.2 The Funding Strategy sets out the aims and purpose of the Fund and the responsibilities of the administering authority as regards funding the scheme. The Statement of Investment Principles sets out more detailed responsibilities relating to the overall investment strategy of the fund including the proposed asset allocation, restrictions on investment types, the type of investment management used and performance monitoring. It also covers the policy states the Fund's approach to risk and governance issues.
- 3.4 The Communications Policy details the overall strategy for involving stakeholders in the Pension Fund. The Pension Fund also has a Governance Policy which outlines many of the frameworks identified within this document. Additionally, a Discretions document has been



developed stating those discretions found within the scheme that it has adopted. All documentation are published at www.buckscc.gov.uk/pensions

4. Representation

4.1 The Pension Fund Committee has 9 members as follows:

- Six Elected Members from Buckinghamshire County Council
 - One Elected Co-Opted Member from Milton Keynes Council
 - One Elected Co-Opted Member from Thames Valley Police Authority
 - One Elected Co-Opted Member chosen by the four District Councils in Buckinghamshire
- Members have Quasi-Trustee status and consequently substitutions are not permitted.

4.2 The Pension Fund Consultative Group has 12 Members.

- One member of the Pension Fund Committee who acts as the Group's Chairman.
- A Union Representative
- Two Employee Representatives
- A County Council HR/OD Representative
- A County Council Finance Representative
- A Pensioner Representative
- A representative of the Thames Valley Police Authority
- A representative of Milton Keynes Council
- One representative selected from the four District Councils within Buckinghamshire.
- Two Admitted Body Representatives

5. Stakeholder Engagement

5.1 An annual meeting of the pension fund is held in October to which all employer representatives and scheme members are welcome. The purpose of the meeting is to report on investment performance and current issues of concern to the Fund stakeholders.

5.2 Mechanisms used to involve stakeholders include:

- Communication with Employers
- Dedicated Client Liaison Team and Communications Officer
- Training Events
- Meetings with the Actuary and the Auditors
- Meetings with Advisors
- Meetings with Fund Managers
- Buckinghamshire Finance Officers meetings
- The annual report for the Pension Fund
- "In Touch" newsletter
- Pension roadshows at various venues around the County.

6. Review and Compliance with Best Practice

6.1 This statement will be kept under review and will be revised and published annually or following any material change in the Governance Policy of the Pension Fund.

6.2 The Pension Fund is regularly audited and no material findings have arisen from either our internal or external audits.

6.3 The regulations require a statement as to the extent to which the governance arrangements comply with guidance issued by the Secretary of State. This statement is confirming that all the above mentioned mechanisms are in place and are effective and embedded. Any breach of our Governance Policy would be outlined in this document and reported to the Chairman of the Pension Fund Committee. A summary of our compliance with recommended good practice is outlined below.



Good Practice Requirement	Met / Not Met
Structure	
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	Met
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Met
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Met
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Met
Representation	
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - i) Employing authorities (including non-scheme employers, eg, admitted bodies); ii) Scheme members (including deferred and pensioner scheme members), iii) Independent professional observers, and iv) Expert advisors (on an ad-hoc basis).	Met
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Met
Selection and role of lay members	
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Met
Voting	
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Met
Training/facility time/expenses	
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Met
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Met
Meetings (frequency/quorum)	
That an administering authority's main committee or committees meet at least quarterly.	Met
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Met
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Met
Access	
That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Met
Scope	
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Met
Publicity	
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Met

Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Agenda Item 10

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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