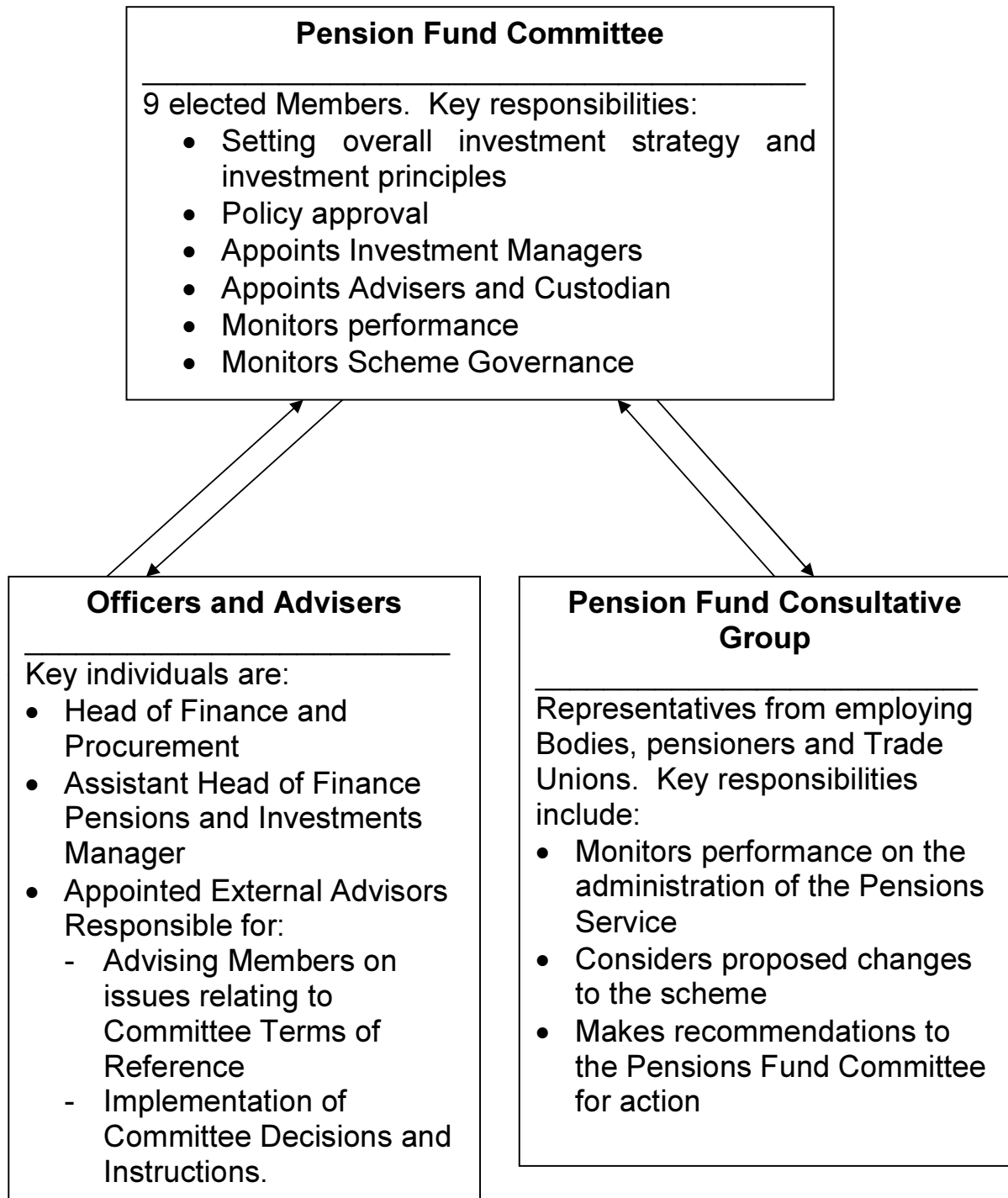


Buckinghamshire County Council Pension Fund Governance Arrangements.

Structure:



Buckinghamshire County Council Pension Fund Committee Terms of Reference

1. Purpose

- 1.1 To be responsible for the Council's statutory function as administering authority (also including investment matters) under the Local Government Pension Scheme Regulations and associated legislation under Sections 7, 12 and 24 of the Superannuation Act 1972. The committee will be established under s101 of the Local Government Act 1972.
- 1.2 The Pension Fund Committee will be provided with full-delegated powers to discharge the following functions on behalf of the Council:
 - To deal with all matters arising relating to the Buckinghamshire Local Government Pension Scheme;
 - To instruct the Head of Finance and Procurement on the management and investment of the Buckinghamshire County Council Pension Fund ("the Pension Fund")
 - To constitute a Pension Fund Consultative Group in accordance with the Pension Fund Consultative Group terms of reference as outlined within this document.

2 Terms of Reference

- 2.1 To agree and ensure the continual review of:
 - The strategic asset allocation and objectives of the Pension Fund in terms of investment return and risk exposure
 - The Statement of Investment Principles
 - The strategic benchmarks for the performance of the Pension Fund against which the actual performance is to be measured
 - The strategic targets against which the performance of the Fund Managers is to be measured.
- 2.2 To agree the appointment and termination of:
 - Fund Managers
 - The Actuary
 - The Custodian
 - Firms or individuals to provide investment and actuarial advice for the Fund
- 2.3 On a quarterly basis, review the performance of the Pension Fund and the Fund Managers against the objectives, benchmarks and targets set and to consider if, and to what extent, any change may be necessary to ensure

the efficient and effective performance of the Pension Fund. This may include:

- The dismissal, selection, appointment and enhanced performance monitoring of, the Managers of the Pension Fund
- Reviewing the allocation of the assets of the Pension Fund and the generic selection of asset portfolios in order to meet the objectives of the Pensions Fund.
- To agree from time to time any restrictions to be placed on any one or more Managers of the Pension Fund as to particular classes of authorised investment or decisions they may take on behalf of the Pension Fund or as to the exercise of voting rights;
- Reviewing the structure of the management arrangements necessary to achieve the effective management of the Pension Fund to meet its objectives.
- Reviewing the Pension Fund Risk Assessment (every six months).

- 2.4 On an annual basis (or more frequently as required by the Committee), review the performance of the Pension Fund and the Fund Managers against the strategic objectives, benchmarks and targets set by them and to consider if, and to what extent, any change may be necessary to ensure the efficient and effective performance of the Pension Fund.
- 2.5 To approve the Pension Fund Annual Accounts and Governance Compliance Statement.
- 2.6 Review the formal Actuarial Valuation and to consider if, and to what extent, any change may be necessary to ensure the efficient and effective performance of the Pension Fund.
- 2.7 To consider the admission of employing organisations to the Fund where there is discretion to do so and as escalated by the Head of Finance and Procurement.
- 2.8 To have due regard to the advice of the Head of Finance and Procurement and to the advice of Consultants appointed by the Committee. If the Pension Fund Committee shall disregard the advice of Consultants, its reasons for so doing shall be recorded in the minutes of the Committee.
- 2.9 To receive minutes and consider recommendations from key officers and the Pension Fund Consultative Group. To ensure the effective performance of the Pension Fund Consultative Group and thereby ensuring that effective arrangements exist for consultation with the stakeholders that have an interest in the affairs of the Pension Fund.

- 2.10 To receive auditor reports as appropriate and seek assurance that any action points arising are implemented.
- 2.11 To deal with any other matters arising in respect of Local Government Pensions.

3. Reporting

- 3.1 Minutes of the Committee will be reported to Council under the existing County Council Committee framework.
- 3.2 An annual report shall be presented to Cabinet on the discharge of the Committee's responsibility and the performance of the Fund.
- 3.3 Detailed performance reports will remain confidential items on Committee agenda as will any other item deemed as such by the Chairman although the Committee will aim to operate as transparently as feasible..
- 3.4 The Chairman shall consult with the County Council's Monitoring Officer (and that of any relevant partner organisation) where any Member misses three Committee meetings in a row (to include formal training sessions).

4. Membership

Comprises 9 members as follows:

- 4.1 Six Elected Members from Buckinghamshire County Council
- 4.2 One Elected Co-Opted Member from Milton Keynes Council
- 4.3 One Elected Co-Opted Member from Thames Valley Police Authority
- 4.4 One Elected Co-Opted Member chosen by the four District Councils in Buckinghamshire in consultation with the Chairman..
- 4.5 Members have Quasi-Trustee status and consequently substitutions are not permitted.
- 4.6 The quorum for this Committee is 4 Members.

5. Frequency

- 5.1 Eight meetings will be scheduled each year and at least six meetings should occur.

Buckinghamshire County Council Pension Fund Consultative Group – Terms of Reference

1. Purpose

- 1.1 To provide a forum for employers and employee representatives for communication and consultation about the activities and governance of the Pension Fund.
- 1.2 To make recommendations to the Pension Fund Committee on matters of note.

2. Terms of Reference

- 2.1 Once each year, to receive the Annual Accounts of the Fund for comment and consideration.
- 2.2 On a six-monthly basis (or more frequently as required by the Pension Fund Committee), review the performance of the pensions administration team against the objectives, benchmarks and targets set and to consider if, and to what extent, any change may be necessary to ensure continued efficient and effective performance.
- 2.3 Consider any customer service issues raised.
- 2.4 Receive stakeholder feedback on Pension issues such as proposals to amend the scheme.
- 2.5 To discuss implementation issues for new developments.
- 2.6 To receive messages from Pensions Administration regarding future developments and requirements (e.g. valuation data requirements).
- 2.7 To receive and pass comment on periodic reports of a financial nature due for presentation to the Pension Fund Committee (e.g. performance reports and valuation reports).
- 2.8 To receive feedback from the Pension Fund Committee.
- 2.9 To discuss the principles and practices of interaction between the Administering Authority and Participating Bodies of the Fund
- 2.10 To consider any other business that is consistent with the purpose and objectives of the meeting.

3. Reporting

- 3.1 Minutes of the Group will be reported to the Pension Fund Committee and published on the Pension Fund website.

3.2 Some items for discussion may be deemed confidential as deemed by the Chairman.

3.3 The Chairman shall consult with the County Council's Monitoring Officer (and that of any relevant partner organisation) when any Member misses three Committee meetings in a row (to include formal training sessions).

4 Membership

4.1 There shall be 12 Members.

4.2 One member of the Pension Fund Committee who will act as the Group's Chairman.

4.3 A Union Representative

4.4 Two Employee Representatives

4.5 A County Council HR/OD Representative

4.6 A County Council Finance Representative

4.7 A Pensioner Representative

4.8 A representative of the Thames Valley Police Authority

4.9 A representative of Milton Keynes Council

4.10 One representative selected from the four District Councils within Buckinghamshire.

4.11 Two Admitted Body Representatives

4.12 The quorum for this Committee is 6 Members.

5. Frequency

5.1 Two meetings will be scheduled each year.

Buckinghamshire County Council Pension Fund Governance Arrangements – Role of Officers

1. **Delegation of Responsibilities to the Head of Finance and Procurement:**

- To act as the statutory office of the Council under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government finance Act 1988.
- To manage and invest the Pension Fund in accordance with instruction from the Pension Fund Committee.
- To automatically apply appropriate pension increases for gratuities.
- In consultation with the Corporate Director (OD & HR), to limit in exceptional circumstances the abatement of pension and compensatory added years payments for pensioners re-entering paid employment.
- To consider any requests for admission to the Pension Fund as an “admitted body” and escalate decisions to the Pension Fund Committee if necessary.
- To act as the “appointed person” under the Local Government Pensions Scheme (Resolution of Disputes) Regulations 1997. To escalate any key issues arising to the Chairman of the Pension Fund Committee and to appoint an alternative person (as agreed with the Chairman) where circumstances dictate (e.g. conflict of interest) that the Head of Finance and Procurement should not remain in this role on a temporary basis.
- To implement and communicate changes to contribution rates.
- To be accountable for the record keeping of pension fund accounts.
- To monitor the performance of Fund Managers, the Actuary and the Custodian, reporting to the Pension Fund Committee in accordance with the Pension Fund Committee’s requirements.