

Background

1. With effect from April 2006, pension fund administering authorities are required to prepare and publish a governance policy statement under the LGPS (Amendment) (No.2) Regulations 2005 (Statutory Instrument 2005 No. 3199), which covers:
 - 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:
 - the frequency of any committee's meetings;
 - the terms of reference, structure and operational procedures in relation to the use of delegated powers;
 - whether the committee includes representatives of employers or scheme members; and if so, whether they have voting rights.
2. This policy statement sets out the County Council's arrangements for discharging its responsibilities for pension fund matters.

Governance of Buckinghamshire Pension Fund

3. The current arrangements for the discharge of the County Council's responsibilities for pension fund matters are set out below.
4. Under the County Council's constitution, the County Council has delegated responsibility for decision-making on pension fund investments to the Pension Fund Committee. The Pension Fund Committee consults within the advisory framework and the Finance Director (Business Services Plus) before making decisions within the scope of their delegated powers. The Committee receives professional advice from an investment consultant and an independent adviser on investment strategy and other investment matters.
5. The terms of reference for the Pension Fund Committee are to agree:
 - the overall investment objective for the Fund;
 - the Fund's Statement of Investment Principles;
 - the Fund's asset allocation policy;
 - the appointment of external fund managers;
 - the appointment of firms to provide investment and actuarial advice for the Fund;
 - any appropriate action to take in light of the quarterly monitoring of the performance of fund managers;
 - any other matters relating to the management and investment of the Pension Fund, as requested.

Reporting

6. The Chairman reports annually to the Cabinet and the Council on the discharge of the Committee's delegated responsibility and the performance of the Fund.

Membership

7. The membership of the Pension Fund Committee is:
 - Six elected members from Buckinghamshire County Council;
 - One elected member from Milton Keynes Council;
 - One elected Police and Crime Commissioner (PCC) or Deputy PCC member from Thames Valley Police or a nominated member from the Police and Crime Panel;
 - One elected member chosen by the four District Councils in Buckinghamshire;

Members have Quasi-Trustee status and consequently no substitutions are permitted.

8. The Fund's investment consultants and independent adviser advise on investment strategy and other investment matters.

Operational Procedures

9. The Pension Fund Committee has six regular meetings scheduled each year. At four of the meetings the Committee receives a report on the investment performance of the fund in the quarter and meets the Fund's investment managers to review the manager's performance. The Committee receives an annual report from the Fund's independent performance measurement adviser, which reviews the long-term performance of the fund and of each of the investment managers in relation to their targets. The other two meetings consider other issues, for example an update on the Risk Assessment for the Pension Fund, Statement of Accounts and revision of policy statements.
10. Procedures for communicating with employers contributing to the Pension Fund are set out in the Communication Policy Statement.

Knowledge and Skills Policy Statement

11. This organisation recognises the importance of ensuring that all staff and members charged with the financial administration and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
12. It therefore seeks to utilise individuals who are both capable and experienced and it will provide/arrange training for staff and members of the pension fund's decision-making bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

