



**Buckinghamshire County Council Pension Fund
Governance Compliance Statement
April 2015**

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 Regulation 55 of the Local Government Pension Scheme Regulations 2013.

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, investment consultants and an independent adviser. Governance arrangements are outlined in the Governance Policy Statement.

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 are available on the Council's website at:

<http://democracy.buckscc.gov.uk/mgConvert2PDF.aspx?ID=11106>

2.3 The Local Pension Board is responsible for assisting the administering authority to secure compliance with the Amendment Regulations 2014, any other legislation relating to the governance and administration of the Scheme, or any connected Scheme and any requirements imposed by the Pensions Regulator in relation to the Scheme. The Board must also ensure the effective and efficient governance and administration of the Scheme. Meetings are held three times a year. The Terms of Reference will be adopted at the Board's first meeting and will be made available on the Council's website.

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 Statement 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 (SIP) 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, performance monitoring, the Fund's policy on stock lending and a compliance statement with the Myners Principles. The Myners Principles are best practice statements relating to pension fund investment decision making. The SIP also states the Fund's approach to risk and governance issues.

3.3 The Communications Policy details the overall strategy for involving stakeholders in the Pension Fund. The Pension Fund also has a Governance Policy Statement 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 is published at www.buckscc.gov.uk/pensions

3.4 The Pension Administration Strategy was implemented on 1 June 2010 and is an important tool in managing and improving the administrative performance of the Fund. It formally sets out the requirements of both Buckinghamshire County Council as the Administering Authority and participating employers/third party payroll providers in the Fund in a single document within one framework.

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 Police and Crime Commissioner (PCC) or Deputy PCC from Thames Valley Police or a nominated member from the Police and Crime Panel
- 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 Local Pension Board has 8 members comprising of 4 employer representatives and 4 scheme member representatives

5. Stakeholder Engagement

5.1 A triennial meeting of the Pension Fund, called the 'Pensions General Meeting', is held in October/November in the year of the Fund valuation (the year prior to when the revised contribution rates from the valuation are due to

come into effect), 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 Scheme Employers
- Dedicated Employer Liaison Officers 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

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 Statement of the Pension Fund.

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

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.

Responsible Officer: Claire Lewis-Smith, Principal Pensions Officer (Governance & Employer Liaison)

Good Practice Requirement	Met/Not Met	Evidence
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	Pension Fund Committee (PFC) Terms of Reference
That representatives of LGPS Scheme employers 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	PFC Terms of Reference and Local Pension Board (LPB) Terms of Reference
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Met	The Local Pension Board meet three times a year after two meetings of PFC. Board minutes go to PFC and vice-versa
Representation		
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - i) Scheme employers (including non-local government employers, e.g., 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	Key stakeholders on PFC or the Local Pension Board as from Terms of Reference i) PFC and LPB ii) LPB iii) PFC and LPB iv) PFC and LPB
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	All PFC members and advisers get all papers except where it concerns them. LPB members are provided with relevant training as required under The Pensions Regulator's Code of Practice 14
Selection and role of lay members		
That committee or panel members are made fully aware of the status, role and function they are	Met	This is set out in the Committee's terms of reference.

required to perform on either a main or secondary committee.		
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	Voting rights are not specifically noted in the PFC Terms of Reference. However under section 4 (Membership) there are 9 members and under section 4.5 it is noted that members have Quasi-Trustee status and therefore no substitutions are permitted. Section 4.6 confirms the Quorum is 4 members. The LPB has 4 employer representatives and 4 scheme member representatives. The draft Terms of Reference confirms the Quorum is 4 Board members, comprising of at least 2 employer and 2 scheme member representatives. Substitutions are permitted.
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	Training for PFC members is undertaken annually as detailed by the PFC training plan. This organisation has adopted the key recommendations of the <i>Code of Practice on Public Sector Pensions Finance Knowledge and Skills</i> . Reimbursement of Expenses is defined in BCC constitution. Training for LPB members is undertaken in accordance with The Pensions Regulator's Code of Practice 14.
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	Reimbursement of expenses is defined in BCC Constitution.
Meetings (frequency/quorum)		
That an administering authority's main committee or committees meet at least quarterly.	Met	PFC Terms of Reference.
That an administering authority's secondary committee or panel meet at least twice a year and	Met	LPB draft Terms of Reference.

is synchronised with the dates when the main committee sits.		
Access		
That subject to any rules in the council 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	Confirmed that this applies by Democratic Services.
Scope		
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Met	PFC forward plan requires senior Pension officers to attend meetings to discuss and raise issues outside usual scope of Pension Fund Investment.
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	All non-confidential agendas, papers and minutes are on BCC external website. This includes Terms of Reference, Customer Charter and Governance Compliance Statement.