

## Appendix 'A'

### Pension Fund Committee

#### Composition and role

1. The Pension Fund Committee ("the Committee") comprises fourteen County Councillors and seven voting co-optees representing the following organisations:
  - a. One co-optee representing the Further and Higher Education sector in Lancashire;
  - b. One co-optee from Blackburn with Darwen Council;
  - c. One co-optee from Blackpool Council;
  - d. Two co-optees representing Trade Unions; and
  - e. Two co-optees representing the Lancashire borough and city councils.
2. The role of the Committee is to:
  - a. exercise responsibility for the administration of the Lancashire County Pension Fund ("the Fund");
  - b. establish policies in relation to investment management, which shall include meeting with the Investment Panel to consider future investment policy for the Fund;
  - c. monitor and review investment activity and the performance of the Fund; and
  - d. present an annual report to the Full Council on the state of the Fund and on the investment activities during the preceding year.
3. Meetings of the Committee shall be open to the public, but the public may be excluded where information of an exempt or confidential nature is being discussed – see Access to Information Procedure Rules set out at Appendix 'H' to the County Council's Constitution.

#### Terms of Reference

1. To exercise Lancashire County Council's responsibility for the management of the Fund, including the administration of benefits and strategic management of Fund assets and liabilities.
2. To have overall responsibility for investment policy and monitor overall performance.
3. To submit an annual report to the Full Council on the performance and state of the Fund and on the investment activities during the year.
4. To appoint a minimum of two suitable persons to an Investment Panel through a sub committee convened for that purpose.

5. To meet at least quarterly, or otherwise as necessary, with the Investment Panel in attendance.
6. To review governance arrangements and the efficient and effective use of external advisors to ensure good decision-making.
7. To approve the policies and procedures for any internally managed Fund investments.
8. To establish a Pension Fund Administration Sub-Committee and agree its composition, role and terms of reference.
9. To receive regular reports from the Treasurer to the Fund on the administration of the Fund to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers, that the Fund is being run on an efficient and effective basis.
10. To approve the procurement process, tender award criteria and evaluation methodology in advance of any tender being invited for the appointment of external advisers and other external assistance in relation to the management of the Fund, to include:
  - a. external Investment Managers to discharge functions to be determined by the Committee relating to the management of the Fund's investments;
  - b. external property agents and advisors;
  - c. an external corporate governance adviser;
  - d. an external Fund custodian;
  - e. external performance measurement advisers;
  - f. the Fund Actuary; and
  - g. the Fund's AVC Provider.
11. To approve an Annual Business Plan, Statement of Investment Principles, Governance Policy Statement , Treasury Management Strategy and Policy and Governance Compliance Statement.
12. To approve the Pension Fund Annual Report.
13. To approve a Funding Strategy statement to include the Fund's policy in respect of:
  - a. the Funding Target;
  - b. the collection of employee contributions;
  - c. the collection of employer contributions;
  - d. the collection of additional employer contributions; and
  - e. Admissions and Terminations.
14. To determine which pension related functions and responsibilities should be exercised under the Council's Scheme of Delegation to Chief Officers.

15. To approve the overall appropriate and necessary training requirements for members of the Committee.

## **Pension Fund Administration Sub-Committee**

### **Composition and role**

1. The role of the Pension Fund Administration Sub-Committee ("the Sub-Committee") is to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers, that the Fund is being run on an efficient and effective basis.
2. The Sub-Committee shall meet at least twice a year or otherwise as necessary.
3. The membership of the Sub-Committee shall be determined by the Pension Fund Committee ("the Committee"). The current membership is five County Councillors, one Trade Union representative and one representative from either the Lancashire borough and city councils or the Lancashire Unitary Authorities. All members have voting rights.

### **Terms of Reference**

1. To ensure that the Committee's functions as Administering Authority are discharged and approve an Annual Administration Report.
2. To agree the terms of a Service Level Agreement in relation to the provision of administration services and support.
3. To submit reports and make recommendations to the Committee relating to the administration of the Lancashire County Pension Fund.
4. To respond to any Government consultations relating to the administration and benefits of the Local Government Pension Scheme.
5. To approve the following:
  - a. Pensions Administration strategy statement;
  - b. Communication Policy statement;
  - c. Internal Dispute Resolution procedure;
  - d. Death Grant procedure;
  - e. Bulk Transfer Payment policy;
  - f. Commutation policy (small pensions);
  - g. Transfer policy; and
  - h. Abatement policy.