

Pension Fund Committee

Meeting to be held on 27 March 2015

Electoral Division affected: None

Update of the Governance Policy Statement and Statement of Investment Principles

(Appendices 'A' and 'B' refers)

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Executive Summary

Funds within the Local Government Pension Scheme are required to produce and keep updated a Governance Policy Statement, essentially a form of constitutional document that sets out the responsibilities and delegated authorities of those parties involved in the running of the Fund.

Given the various changes to the organisational structure of the County Council which impact on the Fund and the changes to the terms of reference of the Committee in the light of the creation of the Local Pension Board it is appropriate to update the Policy Statement and the document at Appendix A, sets out a revised statement for approval.

In addition following the agreement of the report of the Member Working Group at the last meeting of the Committee it is necessary to update the Statement of Investment Principles at the earliest opportunity to incorporate the recommendations of the Working Group in relation to the Fund's approach to this area of activity.

Recommendation

The Committee is recommended to approve the updated Governance Policy Statement and Statement of Investment Principles set out at Appendices 'A' and 'B'.

Background and Advice

Governance Policy Statement

The statutory framework within which the Fund operates requires the production of a Governance Policy Statement setting out the overall responsibilities and arrangements for decision making within the Fund. This policy statement needs to be regularly reviewed and updated when changes occur.

The revised statement at Appendix 'A' has been updated to reflect:

- The changes to the County Council's management structure from 1 April 2015, including the creation of the role of Director of the Fund and the re-designation of other roles.
- The changes to the terms of reference of this committee, the functions to be exercised by the Director under the committee's Scheme of Delegation to officers and the abolition of the Administration Sub Committee agreed by the Council at its meeting in December.
- The establishment of the Local Pension Board.

The remainder of the Statement is unchanged, but it will be subject to further review should the partnership arrangements with the London Pension Fund Authority proceed.

Statement of Investment Principles

At its last meeting the Committee agreed the report of the Member Working Group on Responsible Investment which contained recommendations around making clearer the Fund's approach to this area within the Statement of Investment Principles. It is a requirement that amendments to this Statement should be approved by the Committee as soon as practical after adoption and therefore a revised version of the Statement is presented for approval at Appendix 'B'.

Further amendments to this statement will be required in the light of the development of the overall investment strategy and these will be reported to the Committee as they arise.

Consultations

N/a

Implications:

This item has the following implications, as indicated:

Risk management

A clear and transparent set of constitutional arrangements is part of an effective risk management approach.

Legal

The regular review of this Policy Statement and updating it to reflect changes in the wider organisation ensures compliance with the relevant regulations.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper

Date

Contact/Directorate/Tel

Reason for inclusion in Part II, if appropriate

N/A