



Governance Policy Statement

Contents

1. Purpose	3
2. Structure	3
3. Authority.....	3
4. Membership	3
5. Terms of reference.....	5
6. Knowledge and skills	7
7. Reporting.....	8
8. Meetings.....	8
9. Access	9
10. Delegation to Assistant Chief Executive (Finance) and Chief Finance Officer ...	9
11. Delegation from the Assistant Chief Executive (Finance) and Chief Finance Officer	10
12. Reporting breaches of the law to the Pensions Regulator.....	10
Annex A	11

1. Purpose

With effect from April 2006, pension fund administering authorities are required to prepare and publish a governance policy statement. The policy statement 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.

This policy statement sets out Bedford Borough Council's arrangements for discharging its responsibilities for Pension Fund matters.

2. Structure

Under the Executive Arrangements in Local Government, management of the Pension Fund is a non-executive function, and this is reflected in the governance structure for Bedford that is set out in **Annex A** to this statement.

3. Authority

Part 3 of Bedford Borough Council's Constitution establishes a Pension Fund Committee and Local Pension Board. The Pension Fund Panel and Responsible Investment Panel support the work of the Pension Fund Committee. The Local Pension Board will secure compliance with the Local Government Pension Scheme (LGPS) Regulations; other legislation relating to the governance and administration of the LGPS; and the requirements imposed by the Regulator in relation to the LGPS, to ensure the effective and efficient governance and administration of the LGPS.

4. Membership

The membership of the Pension Fund Committee is:

- Four Elected Members of Bedford Borough Council

- Two Elected Members of Central Bedfordshire Council
- Two Elected Members of Luton Borough Council.

To be quorate, three of the eight voting Members must be present. In the event of a vote being tied the Chair of the Pension Fund Committee shall have a casting vote. The Pension Fund Committee has, as voting members, representatives of employers holding more than 10% of the active membership. This is in line with good practice and supports current government policy to improve the democratisation of Pension Fund governance arrangements.

The relevant officers from the Administering Authority will support the Pension Fund Committee as appropriate and are entitled to speak but not vote.

In addition, the following have been accorded official "observer" status and are entitled to attend and speak, but not vote, at meetings of the Committee and the Panel:

- Academy School Representative
- Scheme User Observer
- Independent Investment Adviser
- Independent Chair of the Local Pension Board
- Chief Finance Officer (Luton Borough Council)
- Chief Finance Officer (Central Bedfordshire Council).

The Pension Fund Panel has the same membership and Chair/Vice Chair as the Pension Fund Committee.

The Chair and Vice Chair of the Committee shall be annually elected from the Elected Members serving on the Committee.

The Chair of the Committee (Administering Authority) will be the Fund representative on the Border to Coast Pension Partnership (BCPP) Joint Committee. The Vice Chair will be the substitute representative.

For information - the BCPP Ltd shareholder role is a Bedford Borough Council responsibility and has been delegated to the Assistant Chief Executive (Finance).

If the membership of any non-local authority member of the scheme exceeds 15% of

the total membership of the scheme consideration should be given to inviting that body to become a member of the Committee.

The Pension Board will have four Scheme Employer representatives and four Scheme member representatives. The Chair of the Pension Board will be an independent appointment made by the Administering Authority. The Vice Chair of the Board will be elected annually by the Board from amongst their own number.

The Authority maintains a system of annual training plans for Members of the Committee and Pension Board and will maintain a log of all such training that is undertaken.

5. Terms of reference

The Pension Fund Committee

The Pension Fund Committee reports directly to the Council and discharges the Council's functions as the Local Government Pension Scheme Administering Authority. In particular, the Committee's functions include the following:

Pension Fund Investment

- To support the Assistant Chief Executive (Finance) and Chief Finance Officer in his/her operational responsibilities for the investment of all surplus cash of the Pension Fund not required immediately to meet pensions and other benefits;
- To review and set the Pension Fund's asset allocation;
- To maintain the Pension Fund's Investment Strategy Statement;
- To develop an effective relationship with the Border to Coast Pension Partnership (BCPP) being the Fund's Pooled vehicle for investment purposes;
- To appoint Fund Managers to whom the Assistant Chief Executive (Finance) and Chief Finance Officer may delegate the responsibility for the investment of cash and to regularly review their terms of appointment;
- To review and set investment objectives for the Fund Managers;
- To meet with, or receive information from, Fund Managers on a regular basis to review activity, transactions and past performance and to note their future asset allocation and investment strategy;

- To meet with the Actuary and the Independent Investment Adviser on an annual basis to consider the performance of the Fund Managers both over the immediate twelve-month period and on a progressive three to five-year period;
- To review the Committee's annual performance;
- To consider the results and impact of the triennial actuarial valuation;
- To consider and approve a Funding Strategy Statement;
- To regularly consider any relevant matters relating to Pension Fund investment;
- To publicise the stewardship role to all Scheduled and Admitted Bodies of the Bedfordshire Pension Fund and to all contributors and beneficiaries by means of a full Annual Report and a Summarised Report.

Pensions Administration

- To consider any relevant matters on Bedfordshire Pension Fund Administration to ensure a first-rate service to members of the fund.

Admitted Authorities

- To consider and approve, if appropriate, the applications of organisations to be admitted bodies of the Bedfordshire Pension Fund.

Pension sub-groups

To enable timely decisions to be made, an investment sub-group comprising the Chairman, Vice Chairman, Fund Administrator and Chief Officer for Bedfordshire Pension Fund with advice from the advisers (Hymans Robertson and the Independent Investment adviser) has been established to consider relevant investment issues and approve the rebalancing of the Fund's asset classes within the overall strategy of the Fund and approved benchmark ranges if no timely meeting of the Committee is scheduled.

Decisions made by the sub-group will be reported to all members of the Pension Fund Committee by e-mail and confirmed at the next scheduled Committee meeting.

The Committee may agree to create additional non decision-making sub-groups from within the members of the Committee to consider specific issues as and when appropriate. Such sub-groups will act in an advisory capacity and report their findings

to the Committee (or Board if appropriate) for decision.

The Pension Fund Panel

The Pension Fund Panel will operate in an advisory capacity to the Pension Fund Committee by its questioning of officers of the Council and external advisers and other relevant attendees. The Panel makes recommendations to the Pension Fund Committee via a simple majority of voting members, with the Chairman having the casting vote in the event of a tie.

The Responsible Investment Panel

The Responsible Investment Panel will operate in an advisory capacity to the Pension Fund Committee by its questioning of officers of the Council and external advisers and other relevant attendees on matters relating to responsible investment. The Panel makes recommendations to the Pension Fund Committee via a simple majority of voting members, with the Chairman having the casting vote in the event of a tie.

The Pension Board

The Pension Board will operate in an advisory capacity to the Pension Fund Committee by its questioning of officers of the Council and external advisers and other relevant attendees and appropriate research. The Board makes recommendations to the pension Fund Committee via a simple majority of voting members, in the event of equality of voting on any decision the status quo will prevail. It is expected the Board will, as far as possible, reach a consensus.

6. Knowledge and skills

- a) Bedfordshire Pension Fund adopts the key recommendations of *The Code of Practice on Public Sector Pensions Finance Knowledge and Skills*;
- b) The Fund recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills;
- c) Accordingly, the Fund will ensure that it has formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the relevant public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration and decision-making;

- d) These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Framework;
- e) The Fund will report on an annual basis how these policies have been put into practice throughout the financial year;
- f) The Fund has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to Assistant Chief Executive (Finance) and Chief Finance Officer, who will act in accordance with the organisation's policy statement, and, where he/she is a CIPFA member, with CIPFA Standards of Professional Practice (where relevant).

7. Reporting

The Pension Fund Committee reports to the Council. The Committee can discuss matters of concern with the Executive, the Portfolio Holder for Finance and the Assistant Chief Executive (Finance) and Chief Finance Officer before reporting to Council.

The Chairman will report bi-annually to the Council on work carried out by the Pension Fund Committee.

The Chairman will present the minutes of the Pension Fund Panel to the Pension Fund Committee.

The Independent Chair of the Pension Board will present the outcomes and recommendations from the Local Pension Board to the Pension Fund Committee.

8. Meetings

- The Pension Fund Committee will meet (as a minimum) four times a year, ordinarily in February, June, September and November or as necessary to facilitate its work;
- The Pension Fund Panel will usually meet in February, June, September and November, and as necessary to facilitate its work;
- The Pension Board will meet at least four times a year, and as necessary to facilitate its work;

- The Pension Fund Committee or the Assistant Chief Executive (Finance) and Chief Finance Officer may ask the Committee/Panel to convene further meetings to discuss particular issues on which they want advice;
- Work for the year will be agreed with the Pension Fund Committee/Panel and a schedule of work will be circulated to Panel members and other officers;
- Agendas for meetings will be agreed with the Chairman and will be circulated electronically, with supporting papers, to Committee/Panel members and other relevant officers.
- Pension Fund Committee/Pension Fund Panel meetings will normally be attended by the Chief Officer for Bedfordshire Pension Fund, with the relevant officers as appropriate to the agenda items being considered;
- The Pension Fund Committee/Panel may ask other officers to attend to assist it with its discussions on any particular matter;
- The Pension Fund Committee can invite appropriate members of the Executive at their discretion to attend to assist in the Committee's understanding of critical issues;
- Subject to the requirements of the Local Government Act 1972, the Committee may choose to have closed sessions and may ask any or all of those who normally attend but who are not members to withdraw from those sessions in order to facilitate open and frank discussion of particular matters.
- Meetings may be held virtually, when permissible under the regulations, in agreement with the Chairman.

9. Access

The Assistant Chief Executive (Finance) and Chief Finance Officer, Chief Officer for Bedfordshire Pension Fund and Manager for Pensions Administration will have access to the Chairman.

10. Delegation to Assistant Chief Executive (Finance) and Chief Finance Officer

The role of the Assistant Chief Executive (Finance) and Chief Finance Officer, as conferred by the Committee, is as follows:

"To manage, from day to day, the:

Pension Fund, including the exercise of the Council's functions as administering authority, and the power to seek advice and to devolve day to day handling of the Fund's investments to professional advisers within the scope of the Local Government Pension Fund Regulations."

11. Delegation from the Assistant Chief Executive (Finance) and Chief Finance Officer

The Assistant Chief Executive (Finance) and Chief Finance Officer has delegated his role as follows:

Fund's day to day activities (excluding Pension Administration) within the scope of the Local Government Pension Fund Regulations:

Chief Officer for Bedfordshire Pension Fund

- Pension Fund Accounts
- Pension Fund Contributions
- Investment managers/Custodian monitoring
- Performance of Fund
- Governance of the Fund
- Admitted Authority applications
- Responses to Local Government Pension Scheme consultations
- Link with Actuary and Investment Consultant

Pensions Administration Manager

- Day to day handling of Pension Administration issues
- Link with Scheme employers
- Membership records
- Starters, transfers, deaths and retirees
- Production of benefit statements
- Payroll

12. Reporting breaches of the law to the Pensions Regulator

The Pension Fund has adopted a procedure for reporting breaches of law to the Pension Regulator.

Annex A

Bedford Borough Council - Member Structure

