

Pension and Investment Committee

1. Committee Composition.

- 1.1 The Committee will comprise five Powys Councillors. A staff trade union and an independent representative, for the participating employers in the scheme, will be entitled to attend and speak at meetings of the Pension Committee. They possess no voting powers. These representatives are however, entitled to remain within the Committee, should the public be excluded on the grounds that exempt information is to be considered
- 1.2 The Council shall appoint the Chairman of the Committee at the Annual Meeting, and shall fill any vacancy between Annual Meetings at an ordinary meeting. The Chairman of the Committee is entitled to a special responsibility allowance.

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APPENDIX A.

SECTION 1.

The Governance Policy Statement for the Powys County Council Pension Fund

1. Overall Constitutional Arrangements.

- 1.1 The Powys County Council Pension Fund is a local government pension fund. The prime legislation governing the fund is the Superannuation Act 1972 and Regulations made there-under.
- 1.2 Powys County Council is the administering authority for the Powys County Council Pension Fund. The governance arrangements of the County Council (including the Constitution, Financial Regulations and Contract Standing Orders) apply to the management of the Pension Fund.

2. Scheme of Delegation.

- 2.1 The County Council will appoint the members of the Pension and Investment Committee. The Committee will consist of 7 members.
- 2.2 The Pension and Investment Committee will meet once every 3 months with special meetings and training workshops as necessary.
- 2.3 The Pension and Investment Committee will be advised by the Council's Investment Adviser (currently Hewitt Associates Limited) and the Council's Actuary (currently Hewitt Associates Limited).
- 2.4 Members of the Pension and Investment Committee will be required to undertake training and demonstrate competency in accordance with Section 4 of this Appendix.

3. Consultation

- 3.1 The Pension and Investment Committee will engage with stakeholders through the following:
- An annual general meeting.
 - A triennial meeting between contributing employers and the actuary to discuss the results of the actuarial valuation.
 - Annual benefit statements are sent to all members annually.

4. Review of the Governance Policy Statement

- 4.1 In line with the Regulations, this Statement will be revised and published by the Administering Authority following any material change in the governance policy.

5. Contacts

- 5.1 Any questions, queries or observations on this Statement should be addressed to:

Geoff Petty,
Head of Finance and Corporate Performance,
Powys County Council,
County Hall,
Llandrindod Wells,
Powys
LD1 5LG

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SECTION 2.

Terms of Reference

Pension Administration Functions

To appoint the Fund's Actuary;

To receive the triennial actuarial valuation and such other valuations that may arise from time to time and set employers' contribution rates arising there-from.

To manage, monitor and review the overall arrangements for the administration of the Local Government Pension Scheme (LGPS).

To respond to consultations in respect of the LGPS.

To undertake the following functions of the LGPS:

- To act as Scheme Trustees in relation to the Powys County Council Additional Voluntary Contributions (AVC) Scheme
- To exercise the discretionary powers available to an administering authority under the provisions of the LGPS regulations
- To develop, publish and review policies as required by the LGPS regulations.

Investment Functions

To determine long-term investment policy.

To approve the Council's Funding Strategy Statement and Statement of Investment Principles.

To review the funds investment structure at least triennially, having regard to the Fund's liabilities and the advice of the Fund's Investment Adviser and the Section 151 Officer.

To appoint and dismiss investment managers, consultants and advisers.

To review investment performance at least once every 3 months.

To appoint the Fund's custodian for its assets and to periodically review custody arrangements.

To appoint the Performance Measurement Service for the fund.

General

To approve the annual business plan, Statement of Investment Principles and Governance Compliance Statement.

Assess and approve the annual pension fund accounts, external audit opinion and management representation in relation to annual audit findings

To receive internal audit reports on Pension Fund matters.

Meetings are open to the public except for exempt and confidential items as defined by the Local Government Act 1972. Copies of reports and minutes are available on the Council's website.

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SECTION 3.

Functions Delegated to the Section 151 Officer

Pension Administration Functions

To manage the administration of LGPS.

To undertake the following functions of the LGPS:

- Award of Death Grants in accordance with the Council's agreed policy.
- Ensure compliance with the Pensions Act 1995
- Ensure compliance with the Finance Acts 2004 and 2005, in particular the meeting of HMRC Reporting Requirements
- Provide active and deferred members of the Scheme with Annual Benefit Statements;
- Manage, monitor and review arrangements in respect of the Scheme's internal dispute resolution procedure.

Investment Functions

To undertake regular monitoring and reconciliation of investments and to report matters of significance to the Pensions and Investment Committee.

To undertake tendering exercises for Fund services and Investment Managers in accordance with the Council's overall governance arrangements and the Pension and Investment Committee's instructions and to present the Committee with shortlists for appointment.

General

To produce the Fund's Annual Accounts in accordance with proper practice.

To authorise, within limits, expenditure from the Fund.

To authorise cash or asset movements between the Council, the Fund, custodian and investment managers.

When necessary, the exercise of the Fund's voting rights by instruction to the investment managers and custodian, after consultation with the Chairman and Vice-Chairman of the Pension and Investment Committee. The Pension and Investment Committee has delegated the use of the voting rights attached to its shareholdings to the investment managers but retains a right to exercise those rights on its own account in exceptional circumstances.

The Section 151 officer may authorise officers in his service to exercise, on his behalf, functions delegated to him. Any decisions taken under this authority shall remain the responsibility of the Section 151 Officer and must be taken in his name and he shall remain accountable and responsible for such decisions.

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SECTION 4.

Trustee Training Plan

Members of the Pension and Investment Committee will be expected to develop the following proficiencies.

To be achieved within 12 months of appointment to the Committee:

- Understanding of the role of the Committee and the quasi-trustee role of its Members.
- A basic understanding of the Local Government Pension Scheme (LGPS), to include;
 - the scheme's benefits;
 - the discretionary powers available to an administering authority
 - the scheme's funding, including the Actuarial valuation;
 - the roles of the administering authority, scheduled and admitted employers.
- A basic understanding of the roles of the following:
 - The Section 151 Officer;
 - The Investment Adviser;
 - The Actuary;
 - The Investment Managers;
 - The Custodian;
 - The Investment Measurement Service.
- A basic understanding of the relationship between the Fund's assets and liabilities, including the Funding Strategy Statement.
- A basic understanding of the investments of the Fund and the use of benchmarks to measure performance, including the Statement of Investment Principles.

Thereafter, Committee Members will be expected to undertake training to develop their competencies in the above areas and to remain abreast of relevant developments in the LGPS and investment opportunities. Members will need to demonstrate that they have completed at least 10 hours training and development per annum and a record will be kept for this purpose. A budget will be available to facilitate training.

Training may take the following forms:

- External courses, conferences and seminars;
- Internal courses and sessions facilitated by Council officers, advisers to the Fund and Investment Managers;
- Reading relevant literature.

If Members do not meet the training requirements, this will be referred to the County Council.

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