

Staffordshire  
LOCAL GOVERNMENT  
PENSION FUND

**Governance  
Policy  
Statement**

The County Council as Administering Authority has an ambition to meet the highest standards of Governance in respect of the Local Government Pension Scheme and its associated Pension Fund.

This policy statement sets out how the County Council discharges its governance responsibilities.

The basic principles are;

**accountability and  
transparency.**

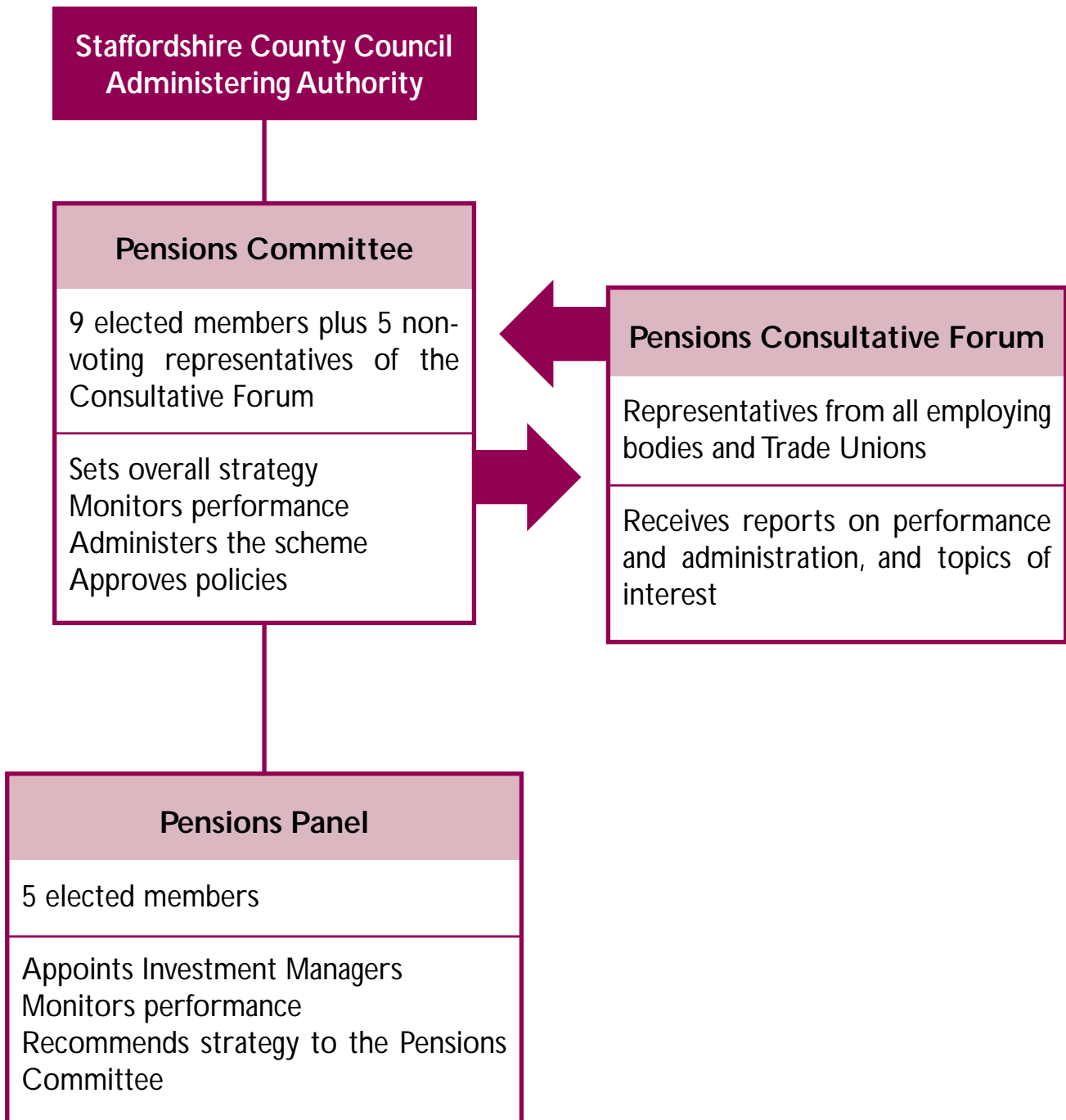
Both are achieved by clear responsibilities and reporting.

Transparency in its wider sense is also achieved by good communication and readers might find it helpful to study the separate Communications Policy available on the County Council's website (see appendix A).

This Governance policy was approved by the Pensions Committee at its meeting on 17 March 2006. It is required to be published under Local Government Pensions Scheme Regulations.

## Basic Structure

### Governance Arrangements



The diagram of the structure is underpinned by the delegation set out in the County Council's constitution that determines the roles and responsibilities of the Pensions Committee and Pensions Panel.

## **Article 9A – Pensions Committee**

### **9A.1 Pensions Committee**

- (a) The County Council will appoint a Pensions Committee with full delegated powers to discharge the following functions on behalf of the Council:-
  - (i) To deal with all matters arising under Section G in Table 2 of Appendix 1 (Functions relating to Local Government Pensions);
  - (ii) To constitute a Pensions Panel of five members of the Committee with full delegated powers to deal as and when appropriate with the matters referred to in Article 9A.3.
- (b) the Pensions Committee will have the terms of reference referred to in Article 9A.2.

### **9A.2 Pensions Committee – Terms of Reference**

The following are the terms of reference of the Pensions Committee:-

- (a) To decide and set from time to time:-
    - (i) the strategic asset allocation and objectives of the Staffordshire County Council Pension Fund ("the Pension Fund");
    - (ii) the strategic benchmarks for the performance of the Pension Fund against which the actual performance is to be measured;
    - (iii) the strategic targets against which the performance of the Pensions Panel and Fund Managers is to be measured;
    - (iv) the arrangements for consultation with the stakeholders that have an interest in the affairs of the Pension Fund.
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- (b) To review at not more than yearly intervals the performance of the Pension Fund and the Pensions Panel against the strategic objectives, benchmarks and targets set by them and to consider if, and to what extent, any change may be necessary to ensure the efficient and effective performance of the Pension Fund;
  - (c) To approve and keep under review the Statement of Investment Principles and Funding Strategy Statement.
  - (d) To maintain a Communication Strategy.
  - (e) To approve the Pension Fund Annual Report and Accounts.
  - (f) To receive a report at least annually on pensions administration activities.
  - (g) To approve and keep under review the Fund's Additional Voluntary Contribution (AVC) arrangements.
  - (h) To approve the formal Actuarial Valuation.
  - (i) To approve the admission of employing organizations to the Fund where there is discretion to do so.
  - (j) To have due regard to the advice of the Chief Finance Officer and to the advice of Consultants appointed by the Committee for the purpose (the appointment of whom may be made by the Committee on such terms and conditions and for such duration as the Committee may consider appropriate) with expertise in either or both of the following fields:-
    - (i) Actuarial matters and Risk/Liability assessment
    - (ii) Investment Strategy and Allocation;
  - (k) To monitor from time to time the advice received from Consultants.
  - (l) To have regard to the advice of the Pensions Panel on matters referred to the Committee for consideration by the Panel and to call for advice from any Adviser or Manager who could have been asked by the Pensions Panel to give the Panel advice.
  - (m) If the Pensions Committee shall disregard the advice of Consultants given under Article 9A.2 their reasons for so doing shall be recorded in the minutes of the Committee.
  - (n) To deal with any other matters arising in respect of Local Government Pensions.
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### 9A.3 Pensions Panel

- (a) The Pensions Panel constituted under Article 9A.1(a)(ii) will consider and as appropriate deal under delegated powers with the following matters:-
    - (i) The structure of the management arrangements necessary to achieve the effective management of the Pension Fund to meet the objectives set by the Pensions Committee under Article 9A.2(a);
    - (ii) The selection, appointment and dismissal of, and the monitoring of the performance of, the Managers of the Pension Fund;
    - (iii) The allocation of the assets of the Pension Fund and the generic selection of asset portfolios in order to meet the objectives set by the Pensions Committee under Article 9A.2(a);
    - (iv) The monitoring of the performance of the Pension Fund and its portfolios on a regular and routine basis across all sectors of investment and management and the reporting arrangements to Panel may require from time to time for this purpose;
    - (v) To agree from time to time any restrictions to be placed on any one or more Managers of the Pension Fund as to particular classes of authorised investment or decisions they may take on behalf of the Pension Fund or as to the exercise of voting rights;
  - (b) The Pensions Panel will review regularly and make recommendations to the Pensions Committee on the following matters:-
    - (i) Strategic Asset Allocation.
    - (ii) Strategic Benchmarks.
    - (iii) Strategic Performance Targets.
    - (iv) The performance of Fund Investment Managers.
    - (v) The Statement of Investment Principles and the Funding Strategy statement.
    - (vi) Legislative, financial and economic changes which impact on the investment activity of the Fund.
    - (vii) The advice from advisers appointed by the Panel.
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- (c) The Pensions Panel shall have regard to the advice of the Chief Finance Officer and to the advice of Independent Advisers appointed by the Panel for the purpose (the appointment of whom may be made by the Panel on such terms and conditions and for such duration as the Panel may consider appropriate) with expertise in any one or more of the following fields:-
  - (i) Tactical Asset Allocation/Investment Strategy Implementation;
  - (ii) Equities/Stocks/Shares/Securities (whether in UK or Overseas)
  - (iii) Property
  - (iv) Bonds and Gilt-edged Investments
  - (v) Manager Selection and Performance Monitoring;and to the advice of any one or more Managers of the Pension Fund as the Panel may request.
- (d) The Pensions Panel may make recommendations to the Pensions Committee on any other matter whether or not it falls within the delegated powers available to the Pensions Panel.

The Chief Finance Officer may:-

- (i) after taking such advice from a Consultant or Adviser retained under the provisions of Article 9A as may in the circumstances be appropriate, take any decision relating to the investment or management of the Pension Fund which cannot reasonably await the next meeting of the Pensions Committee or the Pensions Panel (as the case may be); and
  - (ii) take any decision relating to the investment or management of the Pension Fund which is within the framework of the strategic or policy decisions of the Pensions Committee or the Pensions Panel (as the case may be)."
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## ***Stakeholders Pensions Consultative Forum – Terms of Reference***

To meet half yearly with employers/employee representatives to discuss the Pension Fund. The purpose of the meeting is to provide a forum for communication and consultation about the activities and governance of the Staffordshire County Council Pension Fund.

To consider a report on the assets, liabilities and solvency of the fund

To discuss, annually, the Funding Strategy Statement

To discuss, annually, the Statement of Investment Principles

Once each year, to receive the Annual Report and Accounts of the Fund

To consider a report of the investment arrangements for the Fund

To consider an account of the performance of the investment management arrangements of the fund

To discuss the principles and practices of the interaction between the Administering Authority and Participating Bodies regarding the Fund

To consider any other business that is consistent with the purpose and objectives of the meeting.

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## *Representation*

The Pensions Committee has 9 elected County Council members and

The Pensions Panel has 5 elected County Council members.

They each have voting rights in accordance with the County Council constitution.

The Pensions Committee also includes 5 non voting representatives from the Pensions Consultative Forum as follows;

Two Trades Union Representatives

Two representatives from larger employing bodies

One representative from smaller employing bodies.

The Pensions Forum decides representation from time to time.

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## Appendix A

### Contact Details

**Technical and Pensions**     **Assistant Director** – John Wood  
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**Investment and  
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**Administrative**     **Pensions Manager** – Janet Caiazzo  
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Website: [www.staffordshire.gov.uk/pensions](http://www.staffordshire.gov.uk/pensions)

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**Notes**



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Braille, another language or on cassette, please ask us.

