

Policies and Statements

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<i>Executive Portfolio Holder:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

1. Summary

- 1.1 The pension fund is required to maintain a significant number of policies and statements in accordance with the LGPS regulations. In line with good governance the new committee are being offered the chance to amend and approve these documents.

2. Issues for consideration

- 2.1 The committee is asked to adopt the following policies:

- Funding Strategy Statement (annex 1)
- Investment Strategy Statement (annex 2)
- Financial Reporting Council Stewardship Code Statement (annex 3)
- Governance Compliance Statement (annex 4)
- Pensions Committee Scheme of Delegation (annex 5)
- Pensions Committee Training Policy (annex 6)
- Communication Policy Statement (annex 7)
- Pension Administration Strategy (annex 8)

3. Background

- 3.1 The Funding Strategy Statement is a requirement of the regulations and has been redrafted in conjunction with the Fund's actuary, Barnett Waddingham, following on from the 2016 valuation exercise. In accordance with best practice the employers within the fund have been offered the chance to comment on the statement through a consultation exercise that closed on 30th May 2017. No comments were received.

- 3.2 The Investment Strategy Statement was a new requirement of the LGPS (Management and Investment of Funds) Regulations 2016 and replaced the previous requirement for a Statement of Investment Principles. The first version of the Investment Strategy Statement was adopted by Committee at the March 2017 meeting, however due to time constraints that version had not been the subject of any consultation. Some minor amendments to the March 2017 version have been made and the Statement was then part of the same consultation exercise with employers as the Funding Strategy Statement. No comments were received.
- 3.3 The Financial Reporting Council Stewardship Code is a voluntary code of best practice for institutional investors in the UK equity markets, it is not specifically a LGPS statement. The SCC Pension Fund first adopted the code in November 2010 and is currently judged as a tier 2 signatory. It is anticipated that we will look to review and enhance our Code Statement with a view to raising ourselves to tier 1 in conjunction with Brunel PP as the pooling process takes place during 2018 to 2020.
- 3.5 The Governance Compliance Statement is a requirement of the regulations and shows how the Fund complies with a set of best practice governance standards. This statement includes the Pensions Committee's Terms of Reference which are agreed by the Full County Council. The version presented today has not been altered from the previous adopted version.
- 3.6 The Pensions Committee Scheme of Delegation was brought in to put in place formal standard delegations from the Committee to officers to allow for the sensible day to day running of the Fund. The version presented today has not been altered from the previous adopted version.
- 3.7 The Pensions Committee training policy is in place as a way of codifying expectations on Committee members to ensure they meet the best practice standards on knowledge and understanding whilst discharging their duties in managing the Fund. The version presented today has not been altered from the previous adopted version.
- 3.8 The Communications policy is a requirement of the regulations and codifies how the Fund communicates with various stakeholders. The version presented today has not been altered from the previous adopted version.
- 3.9 The Administration Strategy is an optional requirement of the regulations and was first adopted by the SCC fund in March 2015. The version presented today has not been altered from the previous adopted version

4. Consultations undertaken

- 4.1 All of the above policies and statements were the subject of a consultation exercise at the point of their introduction or last significant alteration. As mentioned above the Funding Strategy Statement and Investment Strategy Statement have just been the subject of a consultation with Fund employers.

5. Financial Implications

- 5.1 Over time the performance of the pension fund investments will impact the amount that the County Council and other sponsoring employers have to pay into the fund to meet their liabilities. The fund actuary calculates these amounts every three years and sets payments for the intervening periods.

6. Background Papers

None

Note For sight of individual background papers please contact the report author.