

Pensions Committee Scheme of Delegation

Introduction

In order to meet its obligations from time to time the Pensions Committee will find it necessary to delegate certain functions to officers. This document provides a clear framework around standard operating functions as to what decisions and operations have been delegated to officers and what has been retained by the Committee.

All references in this document to the Chief Financial Officer means the most senior finance officer and appointed Section 151 Officer of Somerset County Council, it does not refer to a job title for that individual. Where committee delegates tasks to the Chief Financial Officer they are then free to assign tasks to other officers at their discretion.

This scheme of delegation will refer in turn to each of the main responsibilities of the Committee as laid out in the Committee's terms of reference, which form part of the fund's Governance Policy Statement.

Ensure the fund is run in line with all relevant law, statutory guidance and industry codes of best practice.

The Chief Financial Officer is responsible for ensuring the legal operation of the fund and will bring matters of significance to the attention of the Committee.

Ensure all contributions due are collected from employers.

The Chief Financial Officer will maintain procedures to ensure relevant employers pay contributions and that these contributions meet the requirements set by the fund's actuary.

Ensure that all benefits due are paid correctly and in a timely manner.

The Chief Financial Officer will maintain procedures to ensure the correct calculation and payment of benefits by the fund

Decide the aims of the investment policy.

Committee agree the aims of the investment policy and publish this in the form of the funding strategy statement and statement of investment principles.

Make arrangements for managing the fund's investments.

The Committee will decide the fund's asset allocation both in terms of asset classes and investment mandates that will be managed either internally or by external fund managers.

The Committee will decide the fund's voting, engagement and socially responsible investment policies. The Chief Financial Officer will make arrangements for the implementation, monitoring and any necessary reporting against the agreed policies.

The Committee will advise the Chief Financial Officer of their preferences when appointing external fund managers, under County Council contract standing orders all contracts must be awarded and managed by officers. The Committee will advise the Chief Financial Officer if they wish a fund manager's contract to be terminated.

The Chief Financial Officer is responsible for the appointment of a global custodian for the fund and the management of this contract.

Where the Committee decide that assets will be managed in-house the Chief Financial Officer will make suitable arrangements for these assets in accordance with any guidelines provided by Committee.

The strategic asset allocation of the fund is set by the Committee. Once agreed by Committee the Chief Financial Officer is responsible for the monitoring of the investment assets against the strategic asset allocation and periodically rebalancing of the fund to optimise the balancing of risk and return. The Chief Financial Officer will report on all actions in this regard to the Committee at each formal meeting.

The Chief Financial Officer is responsible for the day to day monitoring and recording of the investment assets.

Regularly monitor investment performance.

The Committee will review the performance of all fund managers quarterly. The Committee will meet with external fund managers periodically at their discretion to discuss performance.

The Chief Financial Officer will review the performance of all fund managers monthly and officers will meet with external fund managers quarterly to discuss performance.

Make arrangements to publish the fund's annual report and accounts.

The Chief Financial Officer will make arrangements for the production and audit of the fund's annual report and accounts. The Committee will receive the external auditor's report annually.

Consult stakeholders, and publish the funding strategy statement, statement of investment principles and other policies and documents as necessary.

The Chief Financial Officer will make arrangements for the drafting of all policies and statements and undertake consultations as applicable. The Committee will be responsible for approving all policies and statements after receiving feedback from any consultations undertaken.

Order actuarial valuations to be carried out in line with the Local Government Pension Scheme Regulations.

The Chief Financial Officer will appoint a suitable actuary for the fund in consultation with the Committee and instigate the valuation process. The Committee will receive the actuary's draft valuation report and approve it. The Committee will meet with the actuary at least annually to receive an update.

Consider requests from organisations who want to join the fund as admitted bodies and consider any requests to change the terms of an existing admission agreement.

The Committee will be informed by the Chief Financial Officer of applications from organisations who wish to join the fund as admitted bodies and any requests to alter the terms of an existing admission agreement. Where the regulations allow it the committee will approve any such applications and also may set any pre-conditions on the acceptance of new admitted bodies.

Make representations to the Government about any planned changes to the Local Government Pension Scheme and all aspects of managing benefits.

The Committee will instruct the Chief Financial Officer on what it wishes to be included in any representations, which he will then draft and send accordingly.

Contract Standing Orders

The Contract Standing Orders of Somerset County Council apply to the operation of the Somerset County Council Pension Fund, however the Contract Standing Orders contain the ability for the Pensions Committee to exempt the fund from clauses where it is deemed this is necessary by Pensions Committee. The following sections of Contract Standing Orders will not apply to Contracts relating to the Fund and will be replaced by the provisions given below.

Section 24 – exempted in full

Replaced by:

No procurement process for requirements with a value of over £25,000 will commence before the requirement has been countersigned by the Chief Financial Officer

Section 29 – clarification

The relevant Senior Leadership Team officer for the fund is the Chief Financial Officer.

Use of a Waiver must be approved by the Chief Financial Officer.

Section 30 – exempted in full

Replaced by:

Approval to accept a proposal or tender can only be given by the Chief Financial Officer.

Section 31 – exempted in full

Replaced by:

Every contract shall be signed on behalf of the Council, acting in its capacity as the administering authority of the Pension Fund, by 2 officers who have been given authority to do so by the Chief Financial Officer.

Section 35 – partial exemption

Exempt from consulting with or obtaining the approval of the Business Development Director or Legal Services.

Replaced by:

Consult with specialist legal advisors.

Section 37 & Section 38 – partial exemption

Exempt from having to include SCC Terms and Conditions

Section 39, 40 & 41 – exempted in full

Replaced by:

A contract may only be signed after having been approved by specialist legal advisors.

Section 43 – partial exemption

Any variations or changes will need to be approved by the Chief Financial Officer and comply with Contract Standing Orders (as modified by this Pension's Committee Scheme of Delegation).

Section 45 – exempt from 45.1 in full

Replaced by:

Subject to the provisions of the contract, every extra or variation will be evidenced and authorised in writing by the Council Officer responsible for the contract or the agent acting on behalf of the Council.

All variations will be reported to the Chief Financial Officer.

Section 46 – exempted in full

Replaced by:

Approval of the Chief Financial Officer must be sought to terminate a contract.

**Approved by the Pensions Committee
Somerset County Council Pension Fund
XXXXXXXXXXXXXXXX**