

## 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)
  - Governance Compliance Statement (annex 3)
  - Pensions Committee Scheme of Delegation (annex 4)
  - Pensions Committee Training Policy (annex 5)
  - Communication Policy Statement (annex 6)
  - Pension Administration Strategy (annex 7)

### 3. Background

- 3.1 The Funding Strategy Statement is a requirement of the regulations and sets out how the Fund will seek to ensure it has sufficient assets to meet its future liabilities. It is written in conjunction with the Fund's actuary, Barnett Waddingham, to ensure it supports their work undertaking the triannual valuation. The version presented is the same as the version approved by Pensions Committee at the September 2021 meeting. This version incorporated the Fund's policy on exit payments, debt sharing agreements and debt deferral agreements, all of which became available following a change in the regulations. It is a requirement for the employers of the Fund to be consulted on regarding changes to the Funding Strategy Statement and the most recent consultation was during the spring of 2021 and 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 and sets out the Fund's strategic asset allocation and its approach to responsible investing. The first version of the Investment Strategy Statement was adopted by Committee at the March 2017 meeting. The version presented is the same as the version approved by the Pensions Committee at the March 2022 meeting.
- 3.3 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. It is envisaged that both the Committee and the Board's terms of reference will be refreshed via the Somerset County Council's constitution Committee and then Full Council as part of the process of moving towards the new Unitary Council. Pensions Committee and Pension Board have been consulted on changes they would like to see as part of this review.
- 3.4 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 been amended to take into account changes in practice following the pooling of investments and a refresh to the "Contract Standing Orders" section to reflect the most recent version of that document.
- 3.5 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. It is expected that as we work through a process of reviewing the skills and knowledge of Committee a refresh of the training policy may then be necessary.
- 3.6 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. The Pension Board are due to review the Communications Policy at their next meeting and may subsequently request Committee review or update the policy.
- 3.7 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 version approved by the Pensions Committee at the March 2020 meeting.

#### **4. Consultations undertaken**

None

#### **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.