

Governance Policy

Greater Manchester
Pension Fund

2008



INTRODUCTION

Governance in the public service context is the leadership, direction and control of public service organisations to ensure that they achieve their agreed aims and objectives and in so doing serve the public's best interests. Good governance is a crucial element of effective public services. It leads to good management, good performance and good stewardship of public money as well as being a legal requirement ⁽¹⁾. Good governance encompasses both what is achieved and how things are done.

This Governance Policy Statement is revised and republished by the administering authority following any material change in policy.

GREATER MANCHESTER PENSION FUND (GMPF) – GOVERNANCE POLICY STATEMENT

DELEGATION

Tameside MBC's functions in relation to maintaining the GMPF have been delegated to:

- Pension Fund Management Panel
- Pension Fund Advisory Panel
- Pension Fund Working Groups
- The Director of Pensions.

PENSION FUND MANAGEMENT PANEL

Terms of Reference

Carries out a similar role to that of the trustees of a pension scheme. It is the key decision maker for all matters under the LGPS Regulations including:

- Investment Management
- Monitoring investment activity and performance
- Overseeing administrative activities
- Guidance to officers in exercising delegated powers.

The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading "ACCESS TO INFORMATION".

Structure

Consists of local councillors, the majority of which are drawn from Tameside MBC. Five are drawn from other local authorities within Greater Manchester on the nomination of the remaining 9 local authorities within Greater Manchester, acting through the Association of Greater Manchester Authorities. All elected members have voting rights.

PENSION FUND ADVISORY PANEL

Terms of Reference

To work closely with the Pension Fund Management Panel and to advise on all matters. The detailed terms of reference are reviewed annually by Tameside MBC and the current detailed delegations are contained in the Tameside MBC Constitution referred to below under the heading "ACCESS TO INFORMATION".

Structure

Consists of 10 local councillors, one nominated by each of the 10 local authorities within the Greater Manchester Pension Fund and a minimum of 2 employee representatives nominated by the North West T.U.C. Current practice is to have 6 employee representatives. All the elected members and employee representatives have voting rights.

(1) The Local Government Pension Scheme (Amendment) (No. 2) Regulations.

PENSION FUND WORKING GROUPS

Terms of Reference

The Fund uses Working Groups to consider in detail specific aspects of the Fund's activities and the monitoring of performance.

There are currently four Working Groups, which consider particular areas of GMPF activities and make recommendations to the Pension Fund Management and Advisory Panels. The GMPF activities covered by the working groups are:

- Ethics and Audit
- Local Initiatives and Venture Capital
- Information Services
- Property

Structure

Membership of the Working Groups is drawn from the members of the Management Panel and Advisory Panel. A Tameside MBC councillor chairs each Working Group.

FREQUENCY OF MEETINGS

The Pension Fund Management Panel, the Pension Fund Advisory Panel and the Pension Fund Working Groups meet at least quarterly.

DIRECTOR OF PENSIONS

Terms of Reference

Responsible for implementing the decisions of the Pension Fund Management Panel and for

- The day-to-day management of the affairs of the GMPF.
- The Director of Pensions is the Administrator of the Fund and acts as the link for members, advisers and investment managers between meetings.
- The delegated powers of the Director of Pensions are reviewed annually and the current powers are contained in the Tameside MBC Constitution referred to below under the heading "ACCESS TO INFORMATION".

GMPF ALSO HAS THE FOLLOWING GOVERNANCE ARRANGEMENTS IN PLACE

EXTERNAL ADVISERS

Three external advisers assist the Pension Fund Advisory Panel in particular regarding investment related issues.

INTERNAL CONTROL

Tameside MBC provide internal audit arrangements to GMPF both as a tool of management and with direct reporting to the Ethics and Audit Working Group.

EXTERNAL REVIEW

Tameside MBC including the GMPF is subject to external audit. The Audit Commission appoints the auditors. This helps ensure that public funds are properly safeguarded and accounted for, are used economically, efficiently & effectively in accordance with statutory & regulatory requirements.

ANNUAL REPORT AND ACCOUNTS, AGM AND ANNUAL PENSIONER FORUM

Annually a Report and Accounts is produced for approval by the Pension Fund Management Panel at its meeting in September each year. The report currently includes the following sections:

- Management Structure
- Investment Report
- Statement of Accounts
- Scheme Administration
- Actuarial Statement
- Employers Contributions
- Scheme at a Glance.

The Annual Report & Accounts are issued to all GMPF employers & are available to all members from the GMPF website or upon request.

An Annual General Meeting, to which all employers are invited, is held within 7 months of the yearend, usually early September.

Each year, usually in October, GMPF hosts an Annual Pensioners Forum. The Annual Report and Accounts are a key element of the Annual Pensioner Forum.

RISK MANAGEMENT

Risk awareness is embedded into the performance management process. Risk will continue to feature in the training of all GMPF managers.

COMMUNICATION WITH EMPLOYERS

Quarterly meetings are held with GMPF local authority employers and meetings with non-local authority take place twice yearly, at which administrative matters are discussed and updates provided on administration and investment matters. Other meetings with employers are held to report on key issues as required.

PUBLIC POLICY STATEMENTS

- Funding Strategy Statement - Includes guidance to the Fund Actuary about the periods over which actuarial deficits should be spread and the phasing period for contributory increases.
- Statement of Investment Principle - Outlines the GMPF investment arrangements.

ACCESS TO INFORMATION

The following documents can be accessed on the GMPF website (www.gmpf.org.uk):

- GMPF Annual Report and Accounts
- GMPF Funding Strategy Statement
- GMPF Statement of Investment Principles
- GMPF Governance Policy Statement
- GMPF Communications Policy Statement

Tameside MBC Constitution may be accessed on the website at www.tameside.gov.uk and contains the Terms of Reference and Scheme of Delegation relating to the GMPF.

All other mentioned documents are also available in hard copy form upon request.
Members may write to or visit the Pensions office at:

Greater Manchester Pension Fund
Pensions Office
Concord Suite
Manchester Road
Droylsden
Tameside
M43 6SF

0161 301 7000

www.gmpf.org.uk

Greater Manchester Pension Fund
Concord Suite, Manchester Road
Droylsden, Tameside, M43 6SF

Members' helpline:  **0161 301 7000**

Employers' helpline:  **0161 301 7032**

Email:  **mail@gmpf.org.uk**

Website:  **www.gmpf.org.uk**