



City of Westminster

GOVERNANCE POLICY

City of Westminster Superannuation Fund

As Amended: June 2006

CITY OF WESTMINSTER SUPERANNUATION FUND

GOVERNANCE POLICY

Background

The Local Government Pension Scheme (Amendment) (No 2) Regulations 2005 require administering authorities to prepare and maintain a separate written statement of governance policy on pension fund matters.

Governance is the leadership, direction and control of organisations to ensure they achieve their aims and objectives. In public service organisations particularly these processes need to be clear and open to scrutiny.

General Information

The City of Westminster Superannuation Fund (the Fund) operates under the Local Government Pension Scheme and publishes separately its Statement of Investment Principles, Funding Strategy Statement and Communications Policy Statement. These are available on the Council's website.

The Superannuation Investments Committee (the Committee) consists of six Members, with its membership allocated proportionally to party political representation on the full Council.

Officers who undertake the administration and management of the Fund on a day to day basis and advise the Committee include the Director of Legal and Administrative Services and the Director of Finance. These advisers do not have voting rights.

A Union representative has a right to attend all meetings as an observer and receives copies of the published Agenda for the Committee.

The Lord Mayor, the Leader of the Council and the Leader of the Opposition also have rights to attend all meetings.

Admitted Bodies are not represented at the Committee meetings but are consulted on a regular basis.

Members and observers are required to attend training sessions to assist them in making informed investment decisions and to keep them informed on other matters concerning the Local Government Pension Scheme.

In addition to the Director of Finance, the Committee is advised on financial issues by the Fund's independent investment advisors, the Fund's custodian and the Fund's investment managers.

The Director of Finance is responsible for ensuring that the in-house team is providing adequate support to the Committee.

The investment managers are required to produce quarterly performance reports and present to the Committee on at least six monthly intervals on the implementation of the investment policy and investment performance.

The Superannuation Fund's performance is regularly assessed by an independent performance measurement organisation.

The Fund's procedures are subject to audit and scrutiny by both the City Council's internal audit team and by external auditors appointed by the Audit Commission.

Management

The City Council has delegated its pension fund management functions to the Committee.

The Committee is made up of six Councillors, five majority party members and one minority party member.

The City Council's Section 151 Officer has delegated authority to ensure the prudent day to day management of the Fund through the contract monitoring of the Fund's performance and its Investment Managers.

Committee Meetings

The Committee has two scheduled meetings a year. Additional meetings are arranged as necessary to deal with specific issues. Committee meetings are held at Westminster City Hall, Victoria Street or Council House, Marylebone Road.

Committee Terms of Reference

The Terms of Reference for the Superannuation Investments Committee are:

- Investment and other management of the Superannuation Fund

Advice and Monitoring

The investment managers present to the Committee at six monthly intervals and other meetings held as and when needed.

The independent advisers to the Committee attend all meetings.

Actuarial valuations are carried out triennially.

Guidance provided from the Chartered Institute of Public Finance and Accountancy and the Local Government Pension Scheme are considered by all parties involved in maintaining and managing the Fund.