

Myners Principles (2009): Statement of Compliance

(Appendix 6 of SIP)

	Myners Principle	Compliance	Explanation
1	<p>Effective Decision Making</p> <p>Administering Authorities should ensure that:</p> <ul style="list-style-type: none"> • Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and • Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest. 	FULL	<ul style="list-style-type: none"> • A clear governance structure for decision-making across a wide scope of issues is in place • The Committee is supported by expert advisors and officers with clear responsibilities. • An Investment Panel has responsibility for specific investment decisions and implementation of strategic decisions • The role and responsibilities of all Committee members is set out in job descriptions. • Committee members are required to undertake training and a training log is maintained. • The Fund uses the CIPFA Knowledge and Skills Framework as the basis for its training programme. • The Fund has a forward looking three-year business plan which is monitored annually
2	<p>Clear Objectives</p> <p>An overall investments objective(s) should be set out for the fund that takes account of the scheme's liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisors and investment managers.</p>	FULL	<ul style="list-style-type: none"> • A clear investment objective and strategy is set out in the Statement of Investment Principles. • The actuarial position and financial impact on scheme employers and tax payers is taken into account when formulating the investment strategy. • The funding strategy reflects the differing covenants of scheme employers • The Fund has a customised benchmark reflecting the Fund's own liability profile. • The impact on return and risk of different asset classes is considered when devising the investment strategy. • The investment managers have individual performance targets and their performance against target is monitored by the

			<p>Committee.</p> <ul style="list-style-type: none"> The Fund always obtains expert advice when considering its investment objective and strategy.
3	<p>Risk and Liabilities</p> <p>In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities.</p> <p>These include the implications for local tax payers, the strength of the covenant for participating local employers, the risk of their default and longevity risk.</p>	FULL	<ul style="list-style-type: none"> The investment objective and strategy reflects the specific liability profile of the scheme membership The covenant of the employer and their ability to pay contributions is taken into account when setting contribution rates The Fund has in place a risk management process to identify and monitor scheme employer related risks and report to Committee as required The Risk Register identifies all significant risks to the Fund, action to mitigate the risk and action plan for Committee to consider The external auditor reports its assessment of the risk management process to the Committee.
4	<p>Performance Assessment</p> <p>Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisors.</p> <p>Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.</p>	FULL	<ul style="list-style-type: none"> The Fund measures the performance of the Fund against its investment objective and that of its investment managers against their specific performance benchmarks, over appropriate timeframes. Performance is monitored quarterly by the Committee and Investment Panel The performance of advisors the Fund is assessed on an on-going basis. The performance of the decision-making bodies is assessed by external auditors and through the Committee's Annual Report to Council on its activities and decisions taken during the year.
5	<p>Responsible Ownership</p> <p>Administering Authorities should:</p> <ul style="list-style-type: none"> Adopt, or ensure their investment 	FULL	<ul style="list-style-type: none"> The Fund requires its managers adopt the FRC UK Stewardship Code (replaced the Institutional Shareholders' Committee Statement of Principles) The Fund published its compliance with the FRC UK

	<p>managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents.</p> <ul style="list-style-type: none"> • Include a statement of their policy on responsible ownership in the statement of investment principles • Report periodically to scheme members on the discharge of such responsibilities. 		<p>Stewardship Code in December 2010.</p> <ul style="list-style-type: none"> • The Fund's policy on responsible ownership is included in its Statement of Investment Principles • The Fund has appointed a proxy voting agent to monitor the voting activities of the investment managers and report its findings to the Committee • The Fund has a Responsible Investing Policy to address long term investment concerns and opportunities arising from social, environmental and governance issues. This includes the appointing and monitoring process of managers.
6	<p>Transparency and Reporting</p> <p>Administering Authorities should:</p> <ul style="list-style-type: none"> • Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives • Provide regular communication to scheme members in the form they consider most appropriate 	<p>FULL</p>	<ul style="list-style-type: none"> • Has a clear policy for communication and consultation with its scheme members, representatives and employers as appropriate. • All documents and statements are publicly available and the Annual Report & Accounts contains information and data relevant to its many, diverse stakeholders. • Regular meetings are held with investment managers, advisors, 3rd party investment administration suppliers to discuss service delivery and performance against objectives. • Service level meetings are held with scheme employers to discuss service delivery. • Administration and investment forums are held for scheme employers to inform employers of any issues that may impact their budgets, resourcing levels or employment obligations to staff.