

PE35. PENSION FUND - GOVERNANCE ARRANGEMENTS

The Committee considered a report by the Chief Finance Officer providing an update on the recent developments in relation to the governance arrangements in respect of the ongoing reform of the Local Government Pension Scheme (LGPS) through the Public Service Pensions Act 2013 with effect from 1 April 2015.

The report confirmed:-

- That Falkirk Council was designated an Administering Authority within Local Government Pension Scheme legislation with responsibility for maintaining and managing the Pension Fund;
- The provisions of the Public Service Pensions Act 2013 including the requirements for a Scheme Manager – the legally constituted decision making body and a Pension Board - a supporting entity;
- That at a national level the requirement for the overseeing of the Scheme to be undertaken by an Advisory Board comprising Employer and Trades Union representatives;
- The recently issued consultative draft Regulations and the Falkirk Council response on behalf of the Fund detailed in Appendix A to the report;
- The statutory requirements and the practical considerations relating to the operation of the Pensions Board;
- The guidance within the Governance Heads of Agreement and Model Constitution authorised by the Scottish Local Government Pensions Advisory Group (SLOGPAG);
- The publishing of the final Governance Regulations in late January 2015; and
- The overseeing national governance arrangements through the national Advisory Board.

The report also indicated (a) the current governance arrangements by Falkirk Council through the Pensions Committee and Panel; and (b) recommended (i) that the Falkirk Pension Fund's business continue to be delegated to the Pensions Committee; and (ii) that the Pensions Panel discontinue with effect from 1 April 2015 with alternative governance arrangements to be put in place.

Circulated at the meeting were options for the future composition of the Committee and the Board issued (i) for information to Panel members; and (ii) for consideration by the Committee.

Decision

The Committee and Panel noted the report.

The Committee thereafter agreed:-

(1) to recommend to Council that:-

- (a) the Pensions Panel be discontinued from 1 April 2015;**
- (b) the Pensions Committee should continue to operate as at present (i.e. with 6 elected members from Falkirk Council and 3 co-opted members representing Employer, Trade Unions and Pensioners;**

- (c) in the event that the legislation remains as presently drafted, there should be a Pensions Board of 8 members consisting of 4 Employer and 4 Trade Union representatives or in the event that the legislation permits non Trade Union member representation, there should be a Pensions Board of 10 members with 5 Employer representatives, 4 Trade Union representatives and 1 non Trade Union member representative; and
- (d) the allocation of Board (dependant on the legislation at (c) above) seats to Employers and Trades Unions as detailed below:-

	Committee	Board
1.	<p>9 Members</p> <p>6 Falkirk Council Elected members + 3 Non-Falkirk Council members</p> <ul style="list-style-type: none"> - 1 Employer representative + - 1 Trade Union representative + - 1 Pensioner representative <p>For example:</p> <ul style="list-style-type: none"> - 1 x Stirling Council (1) - 1 x Unison - 1 x Pensioner representative <p><u>Comment</u> (1) Where the seat on the Committee is taken by Stirling Council, Clackmannanshire Council would be represented on the Board and vice versa.</p>	<p>8 Members</p> <p>4 Employer representatives + 4 Member representatives</p> <p>1 x Clackmannanshire Council 1 x SEPA 1 x SCRA 1 x Scheduled or Admitted Body</p> <p>1 x Unison (2) 1 x GMB 1 x Unite 1 x UCATT</p> <p><u>Comment</u> (2) It would be open to the Trade Unions to agree an alternative composition among them.</p>
2.	<p>As above</p>	<p>10 Members</p> <p>5 Employer representatives + 5 Member representatives</p> <p>2 x Local Authority (3) 1 x SEPA 1 x SCRA 1 x Scheduled or Admitted Body</p> <p>1 x Unison 1 x GMB 1 x UCATT 1 x Unite 1 x Non Union Member Representative</p> <p><u>Comment</u></p>

		<p>(3) One of the local authority representatives would be appointed by Falkirk Council.</p>
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and

- (2) that the final meeting of the Pensions Panel would be a joint meeting with the Committee and Panel on 12 March 2015.**