

Wiltshire Council

Wiltshire Pension Fund Committee

25 July 2013

Review Of Membership Of The Wiltshire Pension Fund Committee

Purpose of the Report

1. The purpose of this report is to ask Members to agree an amendment to the Funds governance structure by considering fixed term tenures for non-elected Members of the Committee. It is also intended to publish Committee Members attendance within the Annual Report.

Background

2. At the meeting on 4 June 2013 it was resolved to review the terms of membership of the Committee and to bring a report to this meeting.
3. The Committee consists of 5 members from Wiltshire Council, 2 members from Swindon Borough Council, 2 members representing other organisations within the Fund, along with 2 observers (non-voting members) representing the active / deferred / pensioner members.
4. The Members from Wiltshire Council and Swindon Borough Council are re-elected on 4 yearly cycles. However, the two remaining voting Members have no fixed term.
5. With the rapid increase in employer organisations joining the Fund, in particularly from academies, there is a growing demand from these stakeholders to have a greater involvement in the running of the Fund.

Considerations for the Committee

6. Employers within the Fund fall into the following main categories:
 - **Large Scheduled Bodies** (i.e. main councils, police & fire authorities, probation)
 - **Small Scheduled Bodies** (i.e. town and parish councils)
 - **Education Scheduled Bodies** (i.e. FE colleges, academies)
 - **Admission Bodies** These are either Community Admission Bodies (i.e. public or charitable bodies with a “community of interest” with local authorities, typically housing associations and charities with historic links to the Council) or Transferee Admission Bodies (i.e. private and charitable sector organisations, large and small, that have won contracts from the Scheduled Bodies).

7. At present, the main councils within the Fund are adequately represented, with 7 members in total. Arguably, the other large and small Scheduled Bodies are similar enough in nature and close enough in operation to the main councils to be represented by them on the Committee.
8. The Admission Bodies have a representative, currently Mr Tim Jackson from Greensquare Group, a housing association group. There are currently 36 organisations (an increase of 9 since 2010) that fall into this category covering 4.8% of the membership.
9. However, the one area that is growing rapidly is the number of academies, which are currently represented by Ms Lynda Croft from Wiltshire College. There are now 61 organisations (an increase of 55 since 2010) that fall into this category covering 5.6% of the membership
10. The growth in number of admitted bodies and academies has meant that potentially these groups should have a greater opportunity to be represented on the Committee. Therefore, there are three options here:
 - a) To invite an additional voting representative – however, this would require an additional Wiltshire Councillor to be added to the Committee as well, as Wiltshire Council must legally maintain a majority on the Committee as the “Administering Authority”. On this basis, the voting Committee would be 6 Wiltshire Councillors, 2 Swindon Councillors and 3 Admitted Bodies.
 - b) To invite non-voting representative – however, this would open up an anomalous position with other non Wiltshire Council employer representatives.
 - c) To limit the tenure of the Admitted Bodies & Education Scheduled Bodies representative to a four year term before re-elections are held - this would not require any additions to the Wiltshire Council representation on the Committee, but allow other stakeholders the opportunity to put forward candidates should they wish to be represented.
11. Options a) and b) above have their drawbacks. Increasing the size of the Committee increases the governance requirements and adds additional pressure on the council to find suitable candidates. Additional ‘observers’ is a better option but it would lead to the situation where certain employers are being treated differently. Nevertheless, the preset arrangement does allow organisations to attend as ‘observers’ for the Part1 elements of the meeting.
12. Option c) is the preferred route. Officers are mindful that to be as open and fair as possible, there needs to be opportunity for all stakeholders from the Admitted Bodies and Education scheduled bodies to be represented. Many of these organisations have unique issues such as the potential for volatile contribution rates and large cessation deficits.
13. However, this needs to be measured against the need to retain consistency and acquired knowledge on the Committee to ensure its effective operation. The

Committee understands the commitment and time required to attend meetings and undertake training and therefore the tenure of these posts need to reflect this learning curve. The willing incumbent representatives should also be allowed to serve as long as they are able, but should other candidates come forward at the end of each term then a process should be undertaken to ensure the most appropriate candidate is appointed.

14. In the case where more than one candidate is proposed, an interview process will be undertaken by the Chairman, Vice-Chairman, Director of Finance and Head of Pensions with a preferred candidate shortlisted for appointment at the next scheduled committee meeting.
15. To minimise the administrative process, these two posts should be appointed at the same time. Therefore, it is proposed that the re-appointment process for the two current roles would commence on the 4th anniversary of Ms Lynda Croft's appointment in October 2014.
16. It is also proposed that attendances for all members of the Committee are published within the Annual Report. This is a move that would be in line with a number of other funds and follows good practice in terms of transparency for governance arrangements.

Environmental Impact of the Proposal

17. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

18. There is no known implications at this time.

Financial Considerations & Risk Assessment

19. There would be a marginal increase in the governance costs from having to undertake a selection process should more than one candidate apply for each role. There is a small risk that experience and knowledge will be lost should a representative not be re-elected but this is a factor that should be addressed as part of the selection process.

Reasons for Proposals

20. With the increase in number of employer organisations it would appear in fair and transparent to allow stakeholders the opportunity should they wish to put forward applications for these two roles on the Committee.

Proposals

21. The Committee is asked to:
 - a) Agree that the representatives for the employer organisations serve a 4 year fixed term from appointment; and

- b) On expiry of the 4 year fixed term, applications for the position will be sought (from the incumbent and the applicable employer bodies) and an appointment process undertaken by the Committee should more than one application be received for the role; and
- c) Agree to publish meetings attendance records in the Annual Report; and
- d) Ask the Head of Pensions to update the Fund's Governance Compliance Statement in the light of decisions made at this meeting.

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Unpublished documents relied upon in the production of this report: None
Appendices: None