
AMENDMENT TO SCHEME OF ADMINISTRATION

Report by Chief Financial Officer

PENSION FUND COMMITTEE

18 June 2013

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes an amendment to the Council's Scheme of Administration to change the status of the observers to the Committee to non-voting members, and seeks the Committee's support for the amendment.**
- 1.2 In order to address previously highlighted improvements in governance compliance for the Pension Fund it is proposed to change the status of the observers on the Committee.
- 1.3 **Appendix 1** contains the proposed amendment to the Council's Scheme of Administration to enable this.
- 1.4 The impact of this amendment will be to change the observers to non-voting members and enable them to have the same access to the Committee papers and debate in line with recommended best practice.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Committee recommend that the Council agrees the amendment to the Scheme of Administration and replace the current Section XIII with the text contained in Appendix 1.**

3 BACKGROUND

- 3.1 The current Scheme of Administration allows for Trade Unions, Scheduled and Active Admissions Bodies to be invited to send representatives as observers. However this means that there is no mechanism to provide the observers the private committee papers in advance of the meeting, nor are they formal members of the Committee.
- 3.2 The best practice guidance around pension fund governance indicates that all members of the Pension Fund Committee, irrespective of voting rights, should be provided with the same opportunity to access the Committee Papers and participate in the debates at the meetings.
- 3.3 It has been highlighted in previous Governance Compliance Statements, included in the Annual Report and Accounts for the Fund, that this is an area that is required to be addressed.

4 PROPOSAL

- 4.1 In order to create the appropriate environment to support the best practice it has been identified that an amendment to the Scheme of Administration for the Pension Fund Committee is required.
- 4.2 The proposed revision is contained in **Appendix 1**. In principle it is to change the observer members to non-voting members of the Committee. This will then create the appropriate mechanism to enable the nominated representatives to receive papers and agendas in a timely manner ahead of the meeting. In addition moving them to non-voting member status means that they will have the opportunity to input into the debate more effectively.
- 4.3 The impact of this change is that these representatives will have the same status as the non-voting members of the Audit Committee.
- 4.4 The final amendment is to remove the Convenor as a member of the Committee and increase the number of members of the Administration in order to reflect the current composition of the Committee.

5 IMPLICATIONS

- 5.1 **Financial**
There are no financial implications relating to this proposal.
- 5.2 **Risk and Mitigations**
The amendment enables adherence with best practice guidance on pension fund governance.

5.3 **Equalities**

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report as this policy applies to all elected members and observers of the Committee equally.

5.4 **Acting Sustainably**

There are no direct economic, social or environmental issues with this reports which would affect the Council's sustainability.

5.5 **Carbon Management**

There are no direct carbon emissions impacts as a result of this report.

5.6 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 **Changes to Scheme of Administration or Scheme of Delegation**

The changes to the Scheme of Administration are contained in **Appendix 1** with the amendments highlighted by the underlining of the amended text.

6 CONSULTATION

- 6.1 The Head of Corporate Governance, the Head of Strategic Policy, the Head of Audit and Risk, HR Manager and the Clerk to the Council have been consulted on the report and their comments have been incorporated into the report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Lynn Mirley	Corporate Finance manager 01835 825016

Background Papers:

Annual Report and Accounts 2011/12

Previous Minute Reference:

Pension Fund Sub-Committee, 13 June 2012, Draft Annual Accounts

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Treasury & Capital Team can also give information on other language translations as well as providing additional copies.

Contact us at: Treasury & Capital Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 PSA Tel: 01835 825016 Fax 01835 825166. email: treasuryteam@scotborders.gov.uk

SECTION XIII

PENSION FUND COMMITTEE

Constitution

Twelve members, being seven Members of the Council and five non-voting members constituted as follows.

Seven Elected Members of the Council comprising –

- (a) the Depute Leader (Finance)
- (b) the Executive Member for HR and Corporate Improvement
- (c) three other Members of the Administration
- (d) two Members from the Opposition

Five non-voting members appointed from –

- (a) a Scheduled Body
- (b) an Active Admitted Body
- (c) each of the three recognised Trade Unions

Chairman

The Chairman shall be one of the Scottish Borders Council Members.

Quorum

Four Elected Members of the Council shall constitute a Quorum.

Functions Referred

The following functions of the Council shall stand referred to the Committee –

1. All matters relating to the Management of the Council's Pension Fund.
2. Employer discretions under Local Government Pension Scheme (Scotland) Regulations 1998.

Functions Delegated

All of the functions delegated to the Committee.

NOTE: underscored text represents amendments to current Scheme of Administration.