

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	4 th March 2015
LEAD OFFICER	Chief Executive
TITLE OF REPORT	Appointments
REPORT NUMBER	OCE/15/004
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The report brings before the Council changes to previously agreed appointments.

2. RECOMMENDATIONS

- i. that Council notes Councillor Cameron's resignation from the board of AECC and agrees the appointment of a replacement representative;
- ii. that Council agrees the appointment of an elected member as the Council's representative on the North East Scotland Pension Fund – Pensions Board along with a substitute member;
- iii. that Council notes that Councillor Stuart has replaced Councillor May on the Education and Children's Services Committee and that Councillor MacGregor has replaced Councillor May on the Pensions Panel.

3. FINANCIAL IMPLICATIONS

There are no financial implications to the Council.

4. OTHER IMPLICATIONS

There are no other implications to the Council.

5. BACKGROUND/MAIN ISSUES

At its Statutory Meeting on 16th May 2012 and at subsequent meetings of the Council and the Urgent Business Committee, the Council considered reports on the appointment of representatives to outside bodies.

A number of proposed changes to appointments have now been intimated as noted above in the recommendations. The Council is requested to approve these changes.

With regard to the Pensions Board appointment, the Council should note that under sections 5(1) and (2) of the Public Services Pensions Act 2013 each Local Government Pension Scheme Manager in Scotland is required to establish a Pensions Board. The Terms and Conditions of the Pensions Board are attached.

The Pensions Board will be responsible for assisting the Scheme Manager (Aberdeen City Council as the 'administering authority') in relation to compliance with Scheme Regulations and the requirements of the Pensions Regulator.

Membership of the Pensions Board will consist of equal numbers of trade union representatives and employer representatives, drawn from councils and scheduled or admitted bodies. Pensions Board representatives **must not** also participate in or act as members of the Pensions Committee or Joint Investment Advisory Committee and will normally be Elected Members serving as part of the Council.

One nomination is being sought from each of the three councils for membership of the North East Scotland Pension Fund – Pensions Board. A substitute member can also be nominated.

6. IMPACT

Representation on the various sub-committees, trusts, boards and outside bodies assists the Council in fulfilling its role in delivering the Single Outcome Agreement.

7. MANAGEMENT OF RISK

The report is concerned solely with a change of representation on outside bodies.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Ciaran Monaghan
Head of Service, Office of Chief Executive
cmonaghan@aberdeencity.gov.uk
01224 522293

NORTH EAST SCOTLAND PENSION FUND

1. Introduction

- 1.1 Each Local Government Pension Scheme Manager in Scotland is required to establish a Pensions Board separate from the Pensions Committee that acts as the Scheme Manager.
- 1.2 The North East Scotland Pension Fund Pensions Board is established under the provisions of sections 5 (1) and (2) of the Public Service Pensions Act 2013 and will be confirmed under the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014.

2. Objectives

- 2.1 The Pension Board as detailed in regulations is the body responsible **for assisting the Scheme Manager** in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

5.—(1) There shall be established for each Scheme manager a Pensions Board with responsibility for assisting the Scheme manager in relation to the following matters.

(2) Those matters are—

- (a) securing compliance with the 2014 Regulations and other legislation relating to the governance and administration of the Scheme and any statutory pension scheme that is connected with it;
- (b) securing compliance with requirements imposed in relation to the Scheme and any connected scheme by the Pensions Regulator;
- (c) such other matters as the 2014 Regulations may specify

- 2.2 The Pensions Board will determine the areas they wish to consider including, amongst others:

- Reports produced for the pensions committee
- Seek reports from the scheme managers on any aspect of the fund
- Monitor investments and the investment principles/strategy/guidance
- The fund annual report
- External voting and engagement provisions
- Fund administrative performance
- Actuarial reports and valuations
- Funding policy
- Any other matters that the pensions board deem appropriate

The Pensions Board is not a decision making body. The Pensions Board is not a scrutiny function.

The Pensions Board will be collectively and individually accountable to

the Pensions Committee.

3. Membership

3.1 Membership of the Pensions Board will consist of equal numbers of trade union representatives and employer representatives, drawn from councils and scheduled or admitted bodies in membership of the fund. Pensions Board representatives must not also participate in or act as members of the pensions committee. Local Authority employer representatives will normally be Elected Members serving as part of the Council.

3.2 There will be 4 trade union representatives appointed by the trade unions as follows:

GMB
UCATT
UNISON
Unite

3.3 There will be 4 employer representatives appointed by the respective employer organisations as follows:

Councils 3
Scheduled bodies/Admitted bodies 1

3.4 Pensions Board representatives will serve for a period of four years and may be reappointed to serve further terms. Timescales for organisations to notify the Pensions Board of their representatives shall be locally determined. Employer bodies and organisations retain the right to withdraw representatives and identify replacements on occasion.

3.5 Appointing bodies can appoint a named substitute for their representative. Such substitutes must undertake the same training as set out in (6) below.

3.6 Advisors may attend meetings of the Pensions Board in a non-voting capacity

3.7 No person may be appointed to the Pensions Board that has a significant conflict of interest. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pensions Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme or any connected scheme for which the board is established. The Pensions Board will adopt policies and protocols for handling any conflicts that were unanticipated and might arise during membership.

4. Meetings

- 4.1 The Chair of the Pensions Board will be rotated on an annual basis between the trade union and employer sides of the Pensions Board.
- 4.2 Pensions Board meetings will be administered by Aberdeen City Council as the administering authority as agreed with Joint Secretaries appointed by the trade union and employers sides of the Pensions Board. All reasonable administration costs shall be met by the fund.
- 4.3 The Pensions Board should meet at least quarterly. A majority of either side may requisition a special meeting of the Pensions Board in exceptional circumstances.
- 4.4 The Pensions Board may establish sub-committees.
- 4.5 While the statutory roles and function of the Pensions Committee and Pensions Board are separate, the normal practice will be that both bodies will meet at the same time to consider the same agenda, with the Chair of the Pensions Committee chairing the concurrent meeting. The aim is to engender a positive and proactive partnership culture where in practice the two bodies act as one.

5. Dispute resolution

- 5.1 If the Pensions Committee and Pensions Board cannot reach joint agreement on any matter the process for resolving any differences between the two bodies will be as follows. Whilst this process is undertaken the decision of the Pensions Committee is still competent.
- 5.2 In the first instance, if at least half of the members agree, then the pension board can refer back a decision of the Pensions Committee for further consideration if any of the following grounds are met:
 - That there is evidence or information which it is considered needs re-evaluating or new evidence or data which the Pensions Committee did not access or was not aware of at the point of decision making and which is considered material to the decision taken;
 - That the decision of the Pensions Committee could be considered illegal or contrary to regulations;
 - That the decision of the Pensions Committee is contrary to a relevant Code of Practice published by the Pensions Regulator;
or
 - That the decision is not in the interest of the continued financial viability of the Scheme or is against the principles of proper and responsible administration of the Scheme
- 5.3 If there is no agreement after the matter has been referred back to the Pensions Committee, then the difference in view between the Pensions

Board and the Pensions Committee will be published in the form of a joint secretarial report on the fund website and included in the fund annual report.

- 5.4 The Scottish LGPS Scheme Advisory Board may also consider and take a view on the matter and, if considered appropriate, provide advice to the Scheme Manager or the pension board in relation to the matter

6. Training

- 6.1 All members (and named substitutes) of the Pensions Board must undertake a training programme in accordance with any guidance issued by the pensions regulator and complying with best practice training requirements of the Pensions Committee.
- 6.2 The Pensions Board shall agree policies and arrangements for the acquisition and retention of knowledge and understanding for pension board members
- 6.3 The Scheme Manager will keep an updated list of the documents with which they consider pension board members need to be conversant to effectively carry out their role and make sure that both the list and the documents are accessible.

7. Access to Information

- 7.1 The Scheme Manager and Pensions Board will together ensure that information is published about the activities of the board including:
- the full terms of reference for the Pensions Board, including details of how they will operate
 - the Pensions Board appointment process
 - who each individual pension board member represents and
 - any specific roles and responsibilities of individual Pensions Board members.
- 7.2 The minutes of the Pensions Board will be published on the fund website. The Pensions Board may undertake such communications and stakeholder engagement as it deems appropriate to perform its functions.