

**STRATHCLYDE PENSION FUND (SPF) – AUTHORITY REPRESENTATION
UPDATE**

1. SUMMARY

- 1.1 In June 2005 Glasgow City Council (GCC) published a consultation paper suggesting a scheme for a representative forum for SPF member organisations and stakeholders. The Council responded to this paper in August 2005 and the Audit Committee considered this response at its meeting on 2 September. The Committee also requested an additional update report to go to its next meeting.
- 1.2 This report outlines the results of the GCC consultation and the form the representative forum will now take.

2. RECOMMENDATION

- 2.1 That the Committee note the content of this report.

3. DETAIL

Background

- 3.1 The SPC on 11 August agreed a response to be passed to the Fund outlining changes that should be made to the Fund's proposals for the representative forum. This was noted by the Audit Committee on 2 September. The Committee Chair and Vice Chair raised concerns about the Fund's proposals and these are outlined below:

“The GCC proposal does not address the current 'accountability gap'. The Council and other member organisations, other than Glasgow City Council, will continue to have no executive or management responsibility over the pension fund. The creation of a Representative Forum, although a marginal advance on the current arrangements does not address this issue. Under the proposal, the Representative Forum may still be overruled by the GCC Pensions Sub-Committee, in the event that there is a difference of opinion between its members and Glasgow City Council. It is expected that this issue will be raised at the next meeting of the Audit Committee.”

- 3.2 The GCC Pensions Sub-Committee met on 7 September to consider the responses to the consultation and the main outcomes are outlined below.

Results of the Consultation

- 3.3 25 responses were received out of over 200 employing bodies and stakeholders. Of these 23 expressly welcomed the proposal and 11 of these offered no further comment.
- 3.4 The GCC Financial Services (Strathclyde Pension Fund) Sub-Committee met on 7 September to consider the response. Members approved a revised proposal that broadly adhered to the original suggestion.
- 3.5 The GCC response to the Council's specific recommendations is shown below:

Recommendation	Response
<i>1 member from each authority should be represented rather than 3 from 4 authorities in any one year. This would enable all 12 member authorities to be represented rather than using 3 year rotation.</i>	Accepted.
<i>Glasgow City Council should not be represented on the Forum as there is already adequate representation through the Pensions Sub-Committee.</i>	Not accepted. 'There were... proposals that the Forum should elect its own chair and that GCC should not be represented on the Forum. Equally, at least one respondent supported continuity in the Chair of the two bodies.'
<i>The Forum Chair should be drawn from the general Forum membership to ensure there is less scope for conflicts of interest.</i>	Not accepted. See above.
<i>The Chair of the Forum should have the right to deliver the Forum minutes to the Pension Sub-Committee and to speak at the Sub-Committee meetings on behalf of the Forum</i>	Not accepted. See above.
<i>The proposal should make clear that the Forum is a public meeting and that the minutes will be public documents.</i>	Accepted.

Key features of the representative forum

- 3.6 The full report outlining the position agreed by the GCC Pensions Sub-Committee on the representative forum is attached (Appendix 1)
- 3.7 The main features of the new forum are:
- Executive responsibility for the Fund rests entirely with Glasgow City Council.
 - The forum will act as an interface between stakeholders and the Fund. The minutes of the forum will be heard by the GCC Pensions Sub-Committee and will form advice.
 - The forum Chair will be the Chair of the Pensions Sub-Committee. This individual will deliver the forum minutes to the Sub-Committee.
 - The forum will be made up of 28 members:
 - 12 local authority (1 from each authority)
 - 4 from other 'Scheduled' bodies
 - 2 from large admitted bodies (no definition of 'large')
 - 2 from other admitted bodies
 - 5 Trade Union members
 - 1 Pensioner representative
 - Chair and Alternate
 - Meetings will be on a quarterly basis and will be held shortly before meetings of the Pensions Sub-Committee. The agenda will be the same as the Sub-Committee agenda.
 - All administration costs and member support will be the responsibility of Glasgow City Council.

Argyll & Bute Council membership

- 3.8 On 14 November the Council met and appointed Gary Mulvaney to be the Council's representative on the forum. Elaine Robertson will act as an alternate if Gary Mulvaney is unavailable.

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