

Chairman of the Audit Committee - Comments

**Subject: Re: Strathclyde Pension Fund-Review of Policy on Representation**

I share much of Ian's concerns and it seems to me that GCC have opted for the smallest possible improvement on the current arrangements.

The key debate is whether those employers who have funds within the Strathclyde Pension Fund should have a role in the decision making process. The way it stands just now and under the GCC proposal, employers (including ABC) will continue to have no decision making powers in the pension fund. We will pay our money, fund the deficit, but be unable to exercise any means of control. We can have our say at a Stakeholder forum, but this needn't be ultimately accepted by the GCC Sub committee.

Clearly, the Regulations are having to be revised, so there is nothing to inhibit more radical changes to the structure. The Stakeholder forum as proposed would seem to offer little other than a talking shop, and the proposal to change LA members/officers every 12 months will undermine continuity of approach.

As they say in their document GCC "have absolute executive responsibility for the fund" and this is the tipping point. My initial view is that the executive responsibility should lie with the members (employers and Trade Unions (on behalf of employees)) and as Trustees they should have overall control of the pension fund, with every LA, FE college etc represented on an 'oversight or joint board arrangement' The routine operational responsibility could remain with GCC Sub Committee, but they would be ultimately responsible to the 'oversight or joint board'. If the joint board approach is good enough to run our Police and Fire Services, I am not sure of why this cannot deal with the pension arrangements.

In the next few years, the public sector will face some really tough choices in the whole pensions arena and we as employers (and council tax collectors) need to be at the sharp end, not being held at arms length by a Pension fund that we can exercise no real control over.

I believe that we should really push the accountability angle and not settle for the powerless talking shop that is in offer. As a matter of course, we should also seek to influence our fellow LA, COSLA and possibly Ministers during this consultation period.

Gary Mulvaney  
Chair  
Audit Committee