

PENSION FUND COMMITTEE – 13 MARCH 2015

PENSION FUND SCHEME OF DELEGATION

Report by Chief Financial Officer

Introduction

1. The Council's Constitution sets out the general Scheme of Delegation to the Strategic Directors and a small number of other Officers. These named posts are therefore authorised by the Council to exercise the specific powers and functions of the Council.
2. At its meeting in June 2014, the Oxfordshire Pension Fund Committee reviewed and approved the scheme policies including the fund scheme of delegation. Since that meeting the management structure within the Finance department of Oxfordshire County Council has changed. The post of Deputy Chief Finance officer was removed from the establishment structure and the scheme of delegation therefore needs to be updated to reflect the change.
3. It is proposed that the 'Deputy Chief Finance Officer' references in the Pension Fund Scheme of Delegation be replaced with 'Service Manager – Pensions, Insurance and Money Management'. The amendments are shown in annex 1. The full scheme of delegation document will be included in the annual review of policies for the June Committee meeting.

Power of Attorney – Custody Accounts

4. The Pension Fund's global custodian makes arrangements for the custody of assets in relevant countries. In some countries regulators require the Pension Fund to grant a Power of Attorney (POA) to allow the sub-custodian to perform its duties, eg filing applications for registration of securities in local markets, opening trading accounts, settling trades, collecting dividends and other income in respect of securities, paying taxes etc on behalf of the Fund.
5. In March 2011, the Pension Fund Committee delegated decision-making related to POAs to officers, after consultation with the Chairman of the Committee. The current wording of the scheme of delegation states that the 'Pension Fund Committee delegated decision-making related to the custody of assets to the Chief Finance Officer and Monitoring Officer, after consultation with the Chairman of the Committee.
6. In some markets, POA's are also required to enable the Fund's agents to register votes on behalf of the Pension Fund at company meetings. Whilst proxy voting services are provided by the global custodian and their agents, it is not considered to be part of the legal duties of a custodian, rather an additional service included within the agreement with the Fund. In some markets a POA is only required for voting services and may not be needed for custody activities. Therefore, for the avoidance of doubt, it is recommended that the

wording of the scheme of delegation be amended to state 'The Pension Fund Committee has delegated the decision to authorise POA's on behalf of the Pension Fund to Officers, after consultation with the Chairman of the Committee'.

Adjudication of Disagreements

7. Under the Local Government Pension Scheme Regulations 2013, a member of the Pension Scheme has a right to raise a complaint in respect of their pension entitlement with their employer (or previous employer where they have left the employment to which the dispute relates). The scheme of delegation sets out the responsibilities in relation to each stage of the 'Internal Disputes Resolutions Procedure (IDRP)'
8. The LGPS 2014 regulations refer to the procedure for dealing with complaints as 'Adjudication of Disagreements'. The scheme of delegation reference to the Internal Disputes Resolutions Procedure has been replaced by the term 'Adjudication of Disagreements'.

RECOMMENDATIONS

9. The Committee is **RECOMMENDED** to:
 - a) note the report; and
 - b) approve amendments to the Scheme of Delegation as shown at Annex 1.

Lorna Baxter
Chief Finance Officer

Background Papers: Nil

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February 2015

Authority to Sign Purchase Orders, Invoices and Contracts for the Oxfordshire County Council Pension Fund

Sole signatories for Pension Fund Goods and Services

Up to £500,000 for Goods and Services:

- Chief Executive
- Chief Finance Officer
- Director for Environment & Economy

Up to £200,000 for Goods and Services

- ~~Deputy Chief Finance Officer~~
- Service Manager – Pensions, Insurance and Money Management
- Principal Financial Manager – Treasury Management & Pension Fund Investments
- Pension Services Manager

Up to £25,000

- Team Leader – Pensions Administration
- Team Leader – Pensions Administration

Joint signatories for Pension Fund Goods and Services

~~Up to £500,000,~~

- ~~Deputy Chief Finance Officer~~
- ~~Service Manager – Pensions, Insurance and Money Management~~

With the Chief Executive for Goods and Services over £500,000.

- Chief Finance Officer
- ~~Deputy Chief Finance Officer~~ **Service Manager – Pensions, Insurance and Money Management**

With the s151 officer for Goods and Services over £500,000

- Director for Environment and Economy

Income (Debt) Write Offs

Write off of outstanding debts to the Local Government Pension Scheme above £10,000 need the approval of the Pension Fund Committee. The authorisation of debt write offs up to and including £10,000 is delegated to:- ~~the Service Manager – Pensions, Insurance and Money Management in conjunction with: The Chief Finance Officer for amounts between £7,500 and £10,000 and with the Deputy Chief Finance Officer for amounts below £7,500.~~

Debts below £500 - The Pension Services Manager

Debts up to £7,500 – The Service Manager – Pensions, Insurance and Money Management

Debts between £7,500 and £10,000 – The Service Manager – Pensions, Insurance and Money Management, in conjunction with The Chief Finance Officer.

Power of Attorney – Custody Accounts

~~The Pension Fund's Global Custodian makes arrangements for the custody of assets in relevant countries. Where they do not have a presence in a particular country, a sub-custodian may be appointed. In some countries regulators require the Pension Fund to grant a Power of Attorney to allow the sub-custodian open an account on behalf of the Fund.~~

~~In March 2011, the Pension Fund Committee delegated decision-making related to the custody of assets to the Chief Finance Officer and Monitoring Officer, after consultation with the Chairman of the Committee.~~

The Pension Fund Committee has delegated the decision to authorise POA's on behalf of the Pension Fund to Officers, after consultation with the Chairman of the Committee'

Adjudication of Disagreements ~~Internal Disputes Resolutions Procedure~~

Under the Local Government Pension Scheme Regulations 2013, a member of the Pension Scheme has a right to raise a complaint in respect of their pension entitlement with their employer (or previous employer where they have left the employment to which the dispute relates).

The complaints procedure has 3 stages. Stage 1 will be determined by the relevant scheme employer or the Administering Authority depending on the nature of the complaint. Stage 2 is an independent review of the complaint by a person with delegated authority from the Administering Authority. Stage 3 is determined by the Pensions Ombudsman.

At their meeting in December 2012, the Pension Fund Committee delegated authority to the Pensions Services Manager to determine cases on behalf of the Administering Authority at Stage 1, and the Service Manager (Pensions, Insurance & Money Management) to determine all cases at stage 2. In both cases, the Committee determined that the relevant officer can agree an award of compensation up to £5,000 subject to a report back to the next meeting of the Pension Fund Committee. Any award of compensation above £5,000 must be determined by the full Pension Fund Committee

The Local Government Pension Scheme Regulations 2013 state that if a scheme member dies before his 75th birthday, the administering authority at their absolute discretion may make payment, in respect of the death grant to or for the benefit of the member's nominee or personal representatives or any person appearing to the authority to have been his relative or dependant at any time.

In accordance with the Council's Constitution and Scheme of Delegated Powers, death grant decisions can be made by the Chief Executive in consultation with the Chairman of the Pension Fund Committee.

At their meeting in June 2012, the Pension Fund Committee delegated authority to the Team Leaders in the Pension Services Team to determine all non-contentious cases. (N.B. Delegation was made to this level to avoid potential conflict in the case of complaint which would be heard by the Pension Services Manager at Stage 1 – see complaints delegation above).