

## **PENSION FUND COMMITTEE – 4 SEPTEMBER 2015**

### **FUND GOVERNANCE**

#### **Report by the Chief Financial Officer**

##### **Introduction**

1. This report reviews two elements of the Fund's governance arrangements. The first is in respect of the Scheme of Delegation following proposed changes to the Council's management structure. The second is a proposal to amend one of the Fund's discretionary policies following a request from a scheme member.

##### **Scheme of Delegation**

2. The Fund's Scheme of Delegation is a key document in respect of the Fund's governance arrangements, and provides the formal approval for officers to make decisions under delegated powers from the Committee. A number of these powers are currently delegated to the position of Chief Executive.
3. The Council has recently agreed to review its senior management structure following the departure of the current Chief Executive. In the interim the Council will operate without a Chief Executive. Peter Clark will become the statutory Head of Paid Service during the Interim Period.
4. It is therefore proposed to amend the Scheme of Delegation to replace all references to the Chief Executive with the position of Head of Paid Service. These changes will be effective for the interim period until the Council confirms its new senior management structure, at which point a further review of the Scheme of Delegation will be undertaken

##### **Discretionary Policies**

5. The Committee received a report in March 2014 to update them about the provisions of the LGPS 2014. As part of that report there was an annex detailing and updating the Administering Authority discretions. We have had a request to review one of the discretionary policies agreed at that meeting.
6. The discretionary policy in question relates to the requirement for a scheme member to obtain a medical certificate to confirm that they are in good health, before we will agree to the member taking out a contract to pay Additional Pension Contributions.
7. This requirement for a medical has always been because in cases where a member, who is in the process of purchasing additional pension benefits,

becomes too ill to work, the whole amount of additional benefits would be included in the benefit calculation. This would apply irrespective of the number of payments the member has made toward the cost.

8. In this particular case, the scheme member wanted to purchase an additional pension of £59.00 per annum. The cost of this is £720.00 which the member would pay over one year at £60.00 per month. In line with the discretion the member asked her GP to provide a medical certificate for which she was asked to pay £100.00, which she thought disproportionate.
9. Whilst an element of risk to the fund remains, it is suggested that any member wishing to pay for additional pension contributions over a period of one year or less can do so without needing to provide a medical certificate.

## **RECOMMENDATION**

**10. The Committee is RECOMMENDED to:**

- (a) amend the Scheme of Delegation to replace all delegations to the post of Chief Executive to the post of Head of Paid Service, and to review the position again on completion of the Council's review of senior management arrangements; and**
- (b) consider amending the requirement for a medical certificate before starting a contract to pay Additional Pension contributions to cases where the additional pension is being purchased over a period greater than one year.**

Lorna Baxter  
Chief Finance Officer

Background papers: None  
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