I would like to make a contribution to the consultation.  I apologise for not using the proforma but given that I wish to comment on governance the structure of the document did not lend itself to my contribution.  I hope that I have given the necessary information about myself.

Background and relevant experience

I am the member representative on the Pension Cttee of the Lothian Pension Fund (LPF) a role that I have held since September 2014.  City of Edinburgh Council is the Managing Authority for the scheme.  The Cttee consists of 5 councillors, myself and a colleague who is the employer representative.  All 7 of us are voting members, but we aim to work by consensus.

This structure predates the institution of Pension Boards.  LPF had a Consultative panel comprising 6 member reps and 6 employer reps.  They all received all papers and attended the meetings of the Cttee where they could speak but not vote.  One from each group was elected to take the relevant place on the Cttee.

Over the last 4 years I have attended a wide range of the conferences and other training events as well as reading widely around the subject of pensions and completing online modules prepared by the TPR.

In professional terms I worked in Economic development.  I have a long history of involvement in the Student and Trade Union movements which gives me a great deal of experience of committee structure and meetings.  I have also delivered a large amount of training to Voluntary sector organisations on governance and committee skills.

Response

The current model of a managing authority, one of whose committees effectively runs a scheme with multiple employers (some of whom are themselves Local Authorities) is no longer fit for purpose.

It leads to:
\* confusion on behalf of the public who think that it's an investment fund owned by the council
\* confusion by councillors who also think that it's an investment fund owned by the council
\* a refusal by some councillors to recognise that it is not an investment fund owned by the council and hence to abjure their fiduciary duty
\* inappropriate application of council policies and procedures.  LPF has had a post of Independent Professional Observer for several years.  The role exists to provide support to Cttee and Board members and therefore the relationship between the post holder and the members is crucial to the success of the role.  Earlier this year we sought to appoint a new IPO.  Despite it clearly being an appointment process, the procurement staff of CEC insisted on treating it as a matter of purchasing a service as if it was office cleaning.  They also fiercely resisted any involvement by Cttee or board members.  It took a great deal of time and effort from many of us to get the process amended.
\* an inability to have the necessary resources or systems in place because the standard approach of CEC does not meet our needs.  The most concerning of which is our inability to get the level of IT support and security that we require.  This is a very significant element of our risk register as it could adversely affect our FCA authorisations.

I would therefore recommend that whichever option is selected, even the option of keeping the same number of schemes, the scheme of governance is altered so that the Pensions Cttee is not a Cttee of a local authority.

I would also recommend that even if the majority of members of the Pension Cttee are councillors there should be a minimum of one member representative and one employer representative as full voting members.

I am happy to expand further on these remarks.