

REPORT FOR: Pension Fund Committee

Date of Meeting: 28 June 2017

Subject: Role of Co-optee

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: None

Section 1 – Summary and Recommendation

Summary

The Committee are asked to consider the role of the non-voting co-optee to the Committee.

Recommendation

The Committee are recommended to agree to the role of, and the working arrangements applying to, the non-voting co-optee to the Committee as described in paragraphs 10 and 11.

Section 2 – Report

Introduction and role of co-optee

1. At their meeting on 7 March 2017 the Committee considered a report in which they were asked, inter alia, to agree “that the appointment of a co-optee to the Committee be ceased and no nominee is put forward to Council for such an appointment.”
2. The Committee resolved that “the consideration of the cessation of a co-optee to the Committee be deferred to the next meeting following the receipt of a report discussing the exact role.”
3. As regards the exact role of a co-optee, Section H of the Council’s Constitution includes:
 - 1.1 The Council may appoint non-voting co-opted members to its Committees;
 - 3.1 The basic rule is that co-opted members have such rights as agreed by the parent body making the appointment;
 - 3.3 Unless otherwise determined by the parent bodyall co-opted members and advisers will be afforded the right to:
 - Receive all agenda papers including “Part II” of confidential papers
 - Be notified of all meetings
 - Attend all meetings
 - Contribute to the consideration of all items
4. No further rights or duties are conferred on co-optees and their only stated obligations concern the non-disclosure of confidential information.
5. The appointment of a co-optee to one of the Council’s committees is generally subject to annual renewal by the Council. However, the terms of reference of the Committee include exercising on behalf of the Council “all the powers and duties of the Council in relation to its functions as Administering Authority of the LB Harrow Pension Fund save for those matters delegated to other Committees of the Council or to an Officer.” Assessing the support it requires from non-Councillors is clearly within this remit.
6. On 18 May 2017 the Council agreed to the appointment of co-optees to various committees but, to avoid pre-judging the consideration by the Committee, no appointment to the Pension Fund Committee was agreed.

Background

7. In June 2006 the, then, Legal and General Purposes Committee agreed to the appointment of Mr Howard Bluston as a non-voting co-optee to the, then, Pension Fund Investment Panel. Since then Mr Bluston has remained in this position (now with the Pension Fund Committee).

8. The co-optee role has not been reviewed for many years and, possibly, not since 2006.
9. Since July 2014, the Committee has had in place two independent advisers in addition to the “professional” investment adviser, Aon Hewitt and the Actuary, Hymans Robertson. The Committee is now clearly well-served for advice and the role of the co-optee warrants review.
10. Notwithstanding the amount of independent and professional investment advice available to the Committee, at their meeting on 7 March, several Members expressed appreciation of the contributions made by Mr Bluston at meetings of the Committee. It is therefore recommended that Council be asked to renew his appointment for the current Municipal Year. However, the role should be operated within that set out in the Council’s Constitution with the postholder afforded the right to:
 - Receive all agenda papers including “Part II” of confidential papers
 - Be notified of all meetings
 - Attend all meetings
 - Contribute to the consideration of all items
11. There would be no “advisory” or “representative” duties attached to the role. Attendance at any meeting or function where the involvement with the Committee is a contributory factor in that attendance will be subject to officer approval and, if appropriate, an entry in the corporate hospitality register and any necessary declaration of interest.

Financial Implications

12. Non-voting co-optees are paid an allowance of £445 pa plus payments in respect of out-borough travel and subsistence expenses for approved duties which must be approved by an appropriate officer in advance. All costs are charged to the Pension Fund.

Risk Management Implications

13. The risks arising from “Committee” performance are included in the Pension Fund risk register.

Equalities implications

14. There are no direct equalities implications arising from this report.

Council Priorities

15. Investment performance has a direct impact on the financial health of the Pension Fund which directly affects the level of employer contribution which then, in turn, affects the resources available for the Council’s priorities

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert

Director of Finance

Date: 19 June 2017

Name: Caroline Eccles

on behalf of the
Monitoring Officer

Date: 19 June 2017

Ward Councillors notified:

NO

Section 4 - Contact Details

Contact: Ian Talbot, Treasury and Pension Fund Manager
0208 424 1450

Background Papers – None