

By: Chairman Superannuation Fund Committee
Corporate Director of Finance & Procurement
Director of Law & Governance

To: Superannuation Fund Committee – 28 August 2015

Subject: **COMMITTEE MEMBERSHIP**

Classification: Unrestricted

Summary: To receive advice on the composition of the Committee's membership and agree a way forward.

FOR DECISION

INTRODUCTION

1. The Committee received a report on proposed changes to its membership at its last meeting. Members asked that the Director of Law and Governance revisit the proposals in light of the overall political balance requirements of the Council.

CURRENT POSITION

2. In order for the Committee to comply with Section 15 (6) (a) of the Local Government and Housing Act 1989 which requires that a political group with an overall council majority of seats gets a majority of the seats allocated, any seats that are or may be filled by people who are not elected Members of the authority must be taken into account when calculating the majority. A change to the current membership of the Committee (either in relation to size or voting rights) is necessary because presently, KCC's Conservative Group could be out-voted by other elected and co-opted Members, which contravenes Section 15 (5) (b) of the 1989 Act. So the 5 Conservative members of the Committee could be outvoted by the 2 UKIP, 1 Liberal Democrat, 1 Labour, and 3 District Council representatives. Whilst the Committee has always operated on an apolitical basis the current position is concluded to not be complying with relevant legislation.
3. Additionally the Committee has the issues that the second largest employer, Medway Council, does not have a voting membership and the nomination process for the 3 District Council members is not considered to be appropriate by the Council's governance officers.
4. The creation of the Pension Board creates a new route for the Medway Council and the District Councils to monitor the management of the Fund.

OPTIONS FOR CHANGE

5. The advice from the Director of Law and Governance does create significant problems, there is no desire or intention to reduce the role of other employers and further increasing an already large committee is not supportive of good decision making.

6. The options identified for consideration by members are:

(1) Option A – 3 District Council and 1 Medway Council co-optee with voting rights

That:

- (a) the Selection and Member Services Committee be requested to recommend to the County Council that, in future the three District / Borough Council co-optees (who have voting rights), be appointed by the Kent Leaders' Group and that the Medway Council Co-optee be given voting rights; and
- (b) the County Council be requested to approve, in accordance with Section 15 (6) (a) of the Local Government and Housing Act 1989, that the number of Conservative Members on this Committee be increased to 9 (from 5) to give an overall majority on the Committee to the majority group as required by the proportionality legislation, with the Members from the other groups remaining at 2 UKIP, 1 Labour and 1 Liberal Democrat.

(2) Option B – No voting rights for any co-optees including District / Borough co-optees

That the Selection and Member Services Committee be requested to recommend to the County Council that all co-optees on the Superannuation Fund Committee be non-voting; it being noted that no changes to the membership from KCC is necessary as the Conservative Group would have an overall voting majority on the Committee.

(3) Option C – reduce the number of District / Borough co-optees to 1 (with voting rights) and give the Medway Council co-optee voting rights

That:

- (a) the Selection and Member Services Committee be requested to recommend to the County Council that number of District / Borough Council co-optees (who have voting rights), be reduced to 1 to be appointed by the Kent Leaders' Group and that the Medway Council Co-optee be given voting rights; and

- (b) the County Council be requested to approve, in accordance with Section 15 (6) (a) of the Local Government and Housing Act 1989, that the number of Conservative Members on this Committee be increased to 6 (from 5) to give an overall majority on the Committee to the majority group as required by the proportionality legislation, with the Members from the other groups remaining at 2 UKIP, 1 Labour and 1 Liberal Democrat.

RECOMMENDATION

7. Members are asked to determine which option to adopt.

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