



Comisiwn y Cynulliad Assembly Commission

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Author name and contact number: Wayne Cowley – ext 8161

Pension Scheme Trustees

This paper has been prepared for consideration by the National Assembly for Wales Commission. It has been deemed suitable for publication after such consideration in line with the Commission's rules for conduct of business. Premature publication or disclosure of the contents of this paper is not permitted as this might prejudice the Commission's deliberations

Purpose and summary of issues

1. This paper informs the Commission on the current membership of Trustees of the National Assembly for Wales Members' Pension Scheme, and suggests some changes to bring the Trust membership in line with the new structure of the Assembly.

Recommendation

2. That the Commission proposes the appointment of a new trustee to replace Edwina Hart AM and the making of any other changes to the composition of the trustees which would restore the balance between current and former Member trustees and in relation to party groups.

Discussion

3. The last major revision of the Scheme rules took place on 29 November 2006, when the Assembly adopted the National Assembly for Wales Members' Pension Scheme Rules 2006 (Scheme Rules 2006). Rule B2 and Schedule 1 of the Scheme Rules 2006 cover the appointment of



Trustees and relevant extracts from the Rules are reproduced at Annexes A and B respectively.

4. The Scheme Rules allow for up to six Trustees but one post has been vacant since the death of Peter Law. Edwina Hart AM wrote to the Presiding Officer on 27 November 2007 tendering her immediate resignation as a Trustee of the Scheme.
5. The usual practice over the eight years that the scheme has been in existence has been for the Trustees to be comprised of one representative from each of the main parties together with the Deputy Presiding Officer who provided a link between the Trustees and the, then, House Committee. The number of Trustees was increased to 6 following Peter Law leaving the Labour Party to ensure that the Labour group had a Trustee representative whilst retaining Mr Law's knowledge and experience.
6. Following the May 2007 Elections there are now 2 pensioner Trustees on the Trustee Body.
7. The current Trustees are (length of membership in brackets):
 - Alun Cairns AM (Chair) Appointed 20 July 1999 from the Welsh Conservative group (8 years)
 - Eleanor Burnham AM Appointed 14 June 2001 from the Welsh Liberal Democrat group (6 years)
 - Dr John Marek* Appointed 6 March 2001 when Deputy Presiding Officer and Chair of the House Committee (6 years)
 - Owen John Thomas* Appointed 20 July 1999 from the Plaid Cymru group (8 years)
- *Pensioner members
8. At the Trustee meeting held on 16 May 2007 Dr John Marek relinquished the Chair and Alun Cairns was appointed Chair of Trustees.
9. Paragraph 3 of Schedule 1 to the Scheme Rules provides that the Assembly may appoint or dismiss any Trustee to or from that office. The Commission, under Standing Order 1.10, may propose the election of new trustees to the Assembly. The Commission may wish to consider whether a replacement for the late Peter Law or the seeking of a nomination of a current Member from the Plaid Cymru Group is appropriate at this stage, and whether other changes to the Trustees would be appropriate. Officials



understand that the Labour Group is intending to nominate Carwyn Jones as a replacement for Edwina Hart.

10. If changes are to be made then the Commission may wish to consider appointing a member of the Commission as a Trustee to act as a link between the Trustees and the Commission, to reflect the new arrangements in the Third Assembly.
11. During the 16 May 2007 meeting the Trustees also considered whether there should be at least one Pensioner Trustee. The Scheme is specifically exempt from the Member Nominated Trustee Regulations, but the Trustees have always adopted best practice where practicable and agreed that this should continue in respect of this point. One of the current pensioner members could be allowed to continue as a pensioner trustee in accordance with the Scheme Rules. However, it would necessitate a change to the Scheme Rules to allow a new appointment of a non-serving pensioner member.

Governance Matters

Financial implications

12. Provision for the payment of pension contributions at the current levels as set by the Scheme Actuary has been included in the Commission's budget previously approved by the Assembly. There are no direct financial implications arising from the issues raised in this paper.

Risk Assessment

13. The main risk would appear to be the reputational risk to the Assembly of the Members' Pension Scheme not complying with pension industry accepted best practice if the Trustees' proposal for at least one pensioner trustee (paragraph 11 above) is not taken forward by the Commission or enshrined in the rules of the scheme.

Compliance

14. The National Assembly for Wales Members' Pension Scheme was established under section 18 Government of Wales Act 1998 and continues by virtue of Section 20 and Schedule 11 of the Government of Wales Act 2006.
15. Section 20(6) of GOWA allows for the Assembly Commission to be conferred the responsibility for making provision for pensions for Assembly Members.



16. Standing Order 1.7 confers the responsibility outlined in paragraph 10 on the Commission. Standing Order 1.10 requires that the Assembly must elect Trustees on the basis of a motion proposed by the Commission.
17. There is no direct impact on the Assembly's statutory duties in relation to race equality or sustainable development.

Publication

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Rule B2 of the National Assembly for Wales Members' Pension Scheme Rules 2006 (Scheme Rules 2006)

B2 The provisions of Schedule 1 to these Rules shall have effect with respect to the number, qualification and proceedings of Trustees of the Scheme, the administration of the Scheme and the management and application of the assets of the Fund. The Trustees shall be responsible for the good management and administration of the Scheme in accordance with these Rules.



**Paragraphs 1 – 6 of Schedule 1 to the National Assembly for Wales
Members' Pension Scheme Rules 2006 (Scheme Rules 2006)**

Appointment of Trustees etc.

1. The Trustees shall be no more than six in number.
2. No person shall be appointed to be a Trustee unless he or she is a member of the National Assembly for Wales but a person shall not cease to be a Trustee merely because he or she ceases to be a member of the National Assembly for Wales.
3. The National Assembly for Wales may appoint or dismiss any Trustee to or from that office. A Trustee may resign from office by notice in writing to the presiding officer of the National Assembly for Wales.
4. The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.
5. The procedure of the Trustees shall, subject to the provisions of these Rules, be such as the Trustees may determine; and the quorum for any meeting of the Trustees shall be three.
6. A decision of the Trustees shall continue in force until amended, varied or revoked by a further decision of the Trustees, notwithstanding any changes in the persons who are Trustees and notwithstanding that, by reason of a ordinary election for the National Assembly for Wales or for any other reason, there are for the time being no Trustees.

