



cutting through complexity

Reviewing the options for greater separation between scheme manager function and the host authority



Identifying the potential conflicts

**Between the
Section 151 Officer
of the Host
Authority and
other officers in
the Host Authority**

1

**Between the
Section 151 Officer
of the Host
Authority and the
Councillors on the
Section 101
Committee**

2

**Between the Host
Authority and the
other Local
Authorities in the
same Fund**

3

**Between the Local
Authorities in a
Fund and the other
employers**

4

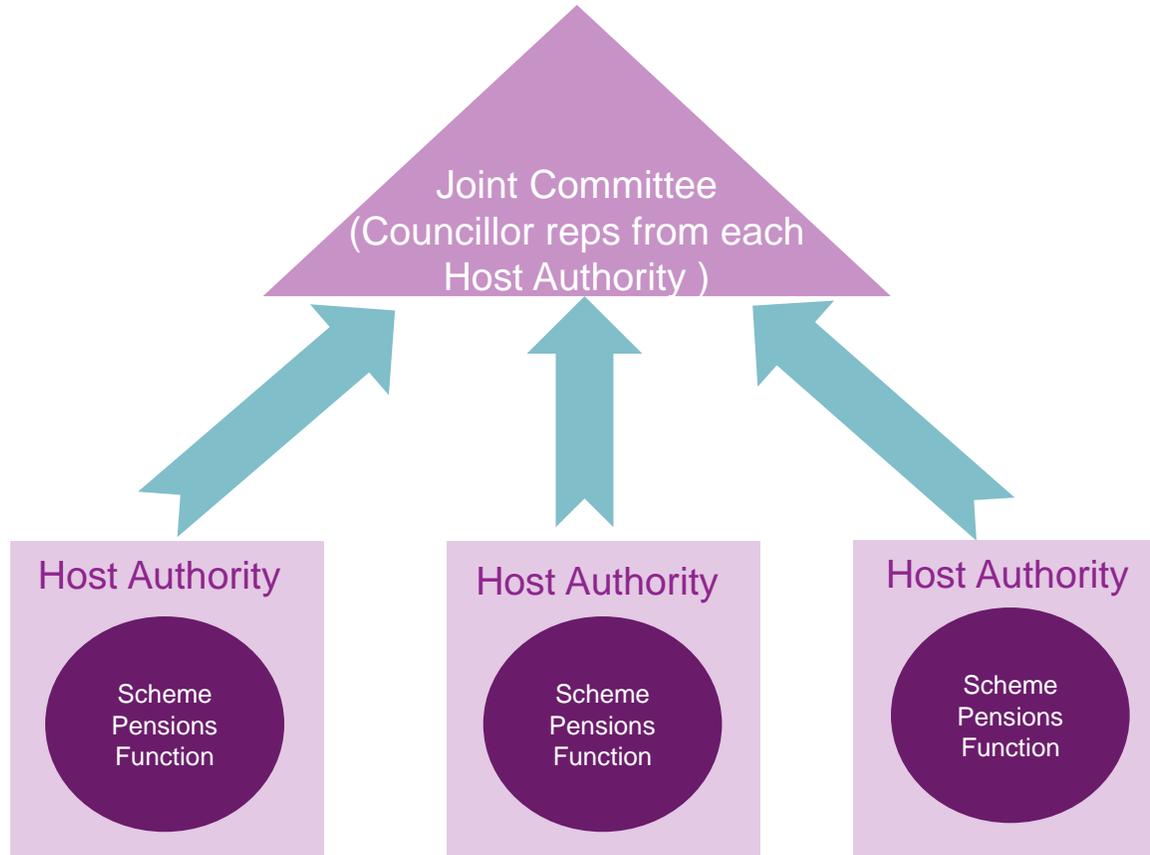
Who are the key stakeholders?



Option 1 – Separate named pensions officer



Option 2 – Introduce a 102(5) committee



Option 3 – Separate legal entity, no councillor reps.



Host Authority



Scheme
manager

What is the criteria for measurement?



Conflicts

Conflicts	Option 1	Option 2	Option 3
S151 v Pensions officers	✓	✓	✓
S151 v S101	✗	✓	✓
Host authority v other Local Authorities	✗	✓	✓
Local Authorities v other employers	✗	✗	✓

Key findings

	Option 1	Option 2	Option 3
Accountability to scheme members and employers	Limited impact	Potential improvement	Greatest improvement, arguably more for scheme employers than members
Compliance with IORP*	?	?	?
Financial transparency	Improvement	Same as Option 1	Greatest improvement
Legislative changes required	Least	Same as option 1	Significant
Costs of implementation	Cheapest	Slightly more expensive than option 1	Significantly more expensive than both option 1 and option 2
Service delivery	No material impact	Levelling up or down?	Expected improvement
Democratic accountability	No impact	Dilution	Loss of democratic accountability

* KPMG did not advise on compliance with the IORP Directive

The need for change?

