

## **PENSIONS ACT 2007**

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### **EXPLANATORY NOTES**

#### **COMMENTARY ON SECTIONS**

#### ***Schedule 6: The Personal Accounts Delivery Authority***

#### **Part 2: Proceedings etc.**

399. *Paragraph 9* sets out the committees the Authority may establish and who their members may be.
400. *Sub-paragraph (1)* provides that the Authority has the power to establish committees for the purpose of discharging any of its functions and for the purpose of giving advice to the Authority about matters relating to the discharge of its functions.
401. *Sub-paragraph (2)* provides that the membership of those committees may consist of or include people who are neither members nor employees of the Authority.
402. *Sub-paragraph (3)* provides, however, that a committee must include at least one member or employee of the Authority, except where:
- the committee has been established for the sole purpose of giving advice to the Authority about matters relating to the discharge of its functions; and
  - it has not been authorised, by virtue of the delegation provisions in *paragraph 14*, to discharge functions on behalf of the Authority.
403. *Sub-paragraph (4)* states the Authority may pay such remuneration or expenses as it determines to a member of a committee who is neither a member nor an employee of the Authority.
404. *Paragraph 10* enables a committee of the Authority to establish a sub-committee.
405. *Sub-paragraph (2)* provides that every member of a sub-committee must also be a member of the committee which established it.
406. *Paragraph 11* details how the Authority, its committees and sub-committees may regulate their proceedings.
407. *Sub-paragraph (1)* states that the Authority may (subject in particular to *paragraph 13* – regarding disqualification for acting in relation to certain matters) regulate or determine its own, its committees’ and its sub-committees’ procedures. In addition the Authority can enable a committee or sub-committee to regulate or determine its own affairs subject to any provision made by the Authority.
408. *Sub-paragraph (2)* provides, subject to paragraph 13, for the chairman and non-executive members of the Authority to determine, by a majority of non-executive members, the procedure for the discharge of separate functions conferred upon them.
409. *Sub-paragraph (3)* clarifies that the power to regulate or determine procedure described in paragraph 11 includes the power to specify a quorum for meetings, to make provision

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that in specified circumstances the Authority or the chairman and non-executives can exercise their respective powers of appointment at a meeting which is inquorate, and to make provision for taking decisions by a majority.

410. *Sub-paragraph (4)* requires the Authority to publish all these procedures.
411. *Paragraph 12* obliges the Authority to maintain proper records of its proceedings and those of its committees and sub-committees, of the proceedings of a meeting of the chairman and other non-executive members, and of anything done by an employee or member of the Authority as a result of the delegation provisions in *paragraph 14(a) or (b)*.
412. *Paragraph 13* sets out the situations where a member of the Authority or of a committee or sub-committee will be unable to act at a meeting as a result of having an interest in a matter to be discussed at that meeting.
413. *Sub-paragraph (1)* states that paragraph 13 applies at any meeting of the Authority, of the chairman and other non-executive members, or of any committee or sub-committee. It applies when a participant has a direct or indirect interest in any matter that will be discussed at a meeting they are involved in.
414. *Sub-paragraph (2)* obliges the person to declare the interest and requires the declaration to be recorded in the minutes of the meeting.
415. *Sub-paragraph (3)* states that any person who declares an interest cannot then take part in any discussions or decisions relating to that matter unless:
- in the case of a meeting of the Authority, or a meeting of the chairman and the other non-executive members, the other members present resolve unanimously that the interest is to be disregarded; or
  - in any other case, the other members of the committee or the sub-committee present resolve, in the manner authorised by the Authority, that the interest is to be disregarded.
416. *Sub-paragraph (4)* states that in granting an authorisation under *sub-paragraph (3)(b)* as to the manner in which it can be resolved that the interest of a member of a committee or sub-committee is to be disregarded, the Authority must ensure that it does not allow a person to take part in a discussion or decision at a meeting of a committee (or sub-committee of such a committee) established by virtue of *paragraph 9(1)(a)* for the purpose of discharging any of the authority's functions unless:
- no less than two-thirds of those other members of the committee (or sub-committee) who are both present and able to vote are in favour of the resolution; and
  - the number of other members in favour of the resolution is not less than the quorum of the committee (or sub-committee).
417. *Sub-paragraph (5)* states that for the purposes of *paragraph 13* a general notification given at or sent to a relevant meeting that a person has an interest as a member, officer, employee or otherwise in a specified body corporate or firm, or is connected with a specified person (other than a body corporate or firm) and is to be regarded as interested in any matter involving that body corporate, firm, or person is to be deemed to comply with *sub-paragraph (2)* for that meeting and, as long as the notification remains in force, any subsequent relevant meeting of the same type.
418. *Sub-paragraph (6)* states that for the purpose of determining under *sub-paragraph (5)* whether a person is connected with another person, section 252 of the Companies Act 2006 (which determines whether a person is connected with a director of a company) is to apply.

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419. *Sub-paragraph (7)* states that a general notification for the purposes of *sub-paragraph (5)* remains in force until it is withdrawn.
420. *Sub-paragraph (8)* lists ‘relevant meetings’ for the purposes of *sub-paragraph (5)* as those of the Authority, of the chairman and other non-executive members, or of a committee or sub-committee. It also sets out that a meeting is of the same type as another ‘relevant meeting’ if they both fall within the same paragraph of *sub-paragraph (8)*.
421. *Sub-paragraph (9)* provides that a person required to make a declaration to meet the requirements of paragraph 13 is not obliged to attend the meeting, and is to be considered to have complied with paragraph 13 if he takes reasonable steps to ensure that notice of his interest is read out and considered at the meeting.
422. *Sub-paragraph (10)* sets out activities that are not to be considered to constitute an interest for the purposes of paragraph 13 if they are the only relevant activities. These include being, or having been, involved on behalf of the relevant authority (see *paragraph 24(1)*), in activities connected with the discharge of the relevant authority’s functions relating to occupational or personal pension schemes. These also include having been a trustee or manager of an occupational or personal pension scheme, or an employee of such a trustee or manager.
423. *Paragraph 14* enables the Authority to delegate any function conferred on it to a member, an employee or a committee.
424. *Paragraph 15(1)* provides that:
- a vacancy among the Authority members, or its committees or sub-committees;
  - any defect in the appointments of members of the Authority; or
  - a failure to comply with a requirement that is a requirement as to procedure by virtue of *paragraph 11*, relating to the proceedings of the Authority, committees and sub-committees;
- will not affect the validity of any proceedings of the Authority, of the chairman and other non-executive members, or of a committee or a sub-committee.
425. *Sub-paragraph (2)* states that nothing in *sub-paragraph (1)(c)* validates proceedings of a meeting which is inquorate other than for the reasons set out in *sub-paragraph (1)(a)* or *(b)*.
426. *Paragraph 16* necessitates the authentication of the Authority’s seal by the chairman or another member or any other person authorised by the Authority (generally or specifically).
427. *Sub-paragraph (3)* states that paragraph 16 does not apply to Scotland. In Scotland documents are executed under signature and therefore application of the seal would not be appropriate.
428. *Paragraph 17* obliges the Authority to produce an annual report detailing that year’s proceedings and its financial position and to send a copy to the Secretary of State, who must lay a copy of the report before Parliament.