

Report to: **Governance Committee**

Date: **5 March 2019**

By: **Chief Finance Officer**

Title of report: **East Sussex Pension Board**

Purpose of report: **To consider the steps being taken in relation to the membership of the Pension Board.**

RECOMMENDATIONS – The Governance Committee is recommended to:

- 1. note the report to, and the minutes of, the Pension Board meeting of 4 February 2019 (appendices 1 and 2);**
 - 2. note the request from the Pension Committee meeting of 25 February 2019 to refer the plans for making appointments to the Pensions Board to this Committee; and**
 - 3. note the proposals to seek employer and scheme member nominations for their representation on the Pension Board.**
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1. Background

1.1 Following the Better Governance and Improved Accountability in the Local Government Pension Scheme consultation by the Ministry of Housing, Communities and Local Government, the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 required each Administering Authority to establish a Local Pension Board by 1 April 2015 for the purposes of “assisting” the Scheme Manager (East Sussex County Council (ESCC)).

1.2 The East Sussex Pension Board was established in April 2015 under the provisions of Section 5 of the Public Service Pensions Act and regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended). The County Council agreed to delegate authority to the Governance Committee to (i) determine the selection process for appointment to the Pension Board and (ii) appoint to, and remove from, the Pension Board. At its meetings on 16 December 2014 and 10 March 2015, the Governance Committee agreed the appointment process for the Board.

1.3 The Pension Board, at its meeting held on 4 February 2019, considered a report (attached as appendix 1) regarding the membership of the Board in light of the fact that the initial four year appointment period for four members of the Board and the Independent Chair was nearing an end.

2. Pension Board Membership Appointment - Proposal

2.1 The methodology for appointing employer and member representatives is not prescribed by the Regulations. It is therefore up to the Administrative Body's (ESCC) discretion to establish an appropriate process. This is contained within the East Sussex Pension Board constitution and terms of reference. In summary, all appointments to the Board, including the Independent Chair, are made by the Governance Committee. The term of office for Board members shall be 4 years or such time as agreed by the Governance Committee.

2.2 The Pension Committee, at its meeting on 25 February 2019, considered the draft minutes of the Pension Board meeting held on 4 February (appendix 2) and requested the appointment process be referred to the next meeting of the Governance Committee in order for their feedback to be considered. The minutes of the Pension Committee meeting are attached to this report at appendix 3.

2.3 The planned actions, following the Governance Committee's confirmation, are to write to the employer and scheme member representative organisations asking for their nominations for the next 4 year term of office and to start the recruitment process for the Independent Chair position. If the employer and scheme member bodies want to ensure consistency in their representation they are able to do so by re-nominating existing representatives for appointment by the Governance Committee. Whether or not they wish to do this is a matter for the representative organisations.

2.4 Following responses from employer and scheme member representative organisations regarding their nominations for the Pension Board, a further report will be submitted to the Committee recommending appointments to the Board. Likewise, once the recruitment process for the Independent Chair has been undertaken, a report will be submitted to the Committee with a proposal for the appointment of the Chair. The degree of change to Board membership will not be known until this process is completed. Officers will ensure that appropriate training/induction sessions are held for new and any existing members of the Board.

3. Conclusion and recommendations

3.1 The Administrative Body is seeking employer and scheme member nominations for their representation on the East Sussex Pension Board in line with the agreed constitution and terms of reference for the Board.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Ola Owolabi, Head of Pensions, 01273 482017
ola.owolabi@eastsussex.gov.uk

Local Members

All

Background Documents

None