

**Report to:** Governance Committee

**Date:** 28 January 2020

**By:** Chief Operating Officer

**Title of report:** East Sussex Pension Board – Appointment of member and amendment of quorum

**Purpose of report:** To consider the appointment of an employer representative to the Pension Board and to consider amending the quorum of the Pension Board.

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**RECOMMENDATION – The Governance Committee is recommended to:**

- 1) appoint Councillor Chris Collier to the Pension Board as an employer representative for a term ending on 4 June 2021; and**
  - 2) recommend the County Council to agree to amend the Constitution in relation to the quorum of the Pension Board as set out in paragraph 2.7 of the report**
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## **1. Background**

- 1.1 The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 require each administering authority (East Sussex County Council) to establish a Local Pension Board for the purposes of “assisting” the Scheme Manager (the Pension Committee). The Council established the East Sussex Pension Board in compliance with the regulations.
- 1.2 The 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. The Governance Committee is also responsible for recommending to Council proposed amendments to the constitution, including the terms of reference of committees and panels.

## **2. Supporting information**

- 2.1 The 2015 Regulations allow the administering authority to determine the Local Pension Board’s membership, provided that there is an equal number of employer and member representatives; the manner in which they are appointed and removed; and the terms of appointment.
- 2.2 Membership of the East Sussex Pension Board comprises three employer and three member representatives and an independent, non-voting Chair. The quorum of the Pension Board is four of the six voting members, with the Chair not counting towards the quorum. All appointments to the Board, including the independent Chair, are made by the Governance Committee. The term of office for Board members shall be four years, or such time as agreed by the Governance Committee.

### **Pension Board appointment**

- 2.3 At its meeting on the 4 June 2019, the Governance Committee appointed the nominees from the East Sussex District and Borough Councils and Brighton & Hove City Council to the two vacant positions on the Pension Board. The terms of these appointments were for two years to mitigate the risk of replacing a large portion of the Pension Board at the same time.
- 2.4 In September 2019 Councillor Doug Oliver tendered his resignation from the Pension Board. The Council has subsequently sought a new nomination from the East Sussex District and Borough Councils to fill this vacancy.

2.5 The following nomination has been received:

Representing	Organisation	Pension Board Nomination	Proposed Term of Office
Employer	One representative for East Sussex District and Borough Councils	Cllr Chris Collier	4 June 2021

### Amendment of the quorum

2.6 The 9 September 2019 meeting of the Pension Board was inquorate due to apologies from three members. The Chair and other Members present requested that: "given that today's meeting was inquorate, a report to the Governance Committee should be made to reduce the quorum of the Board to three voting members including at least one employee and one employer representative."

2.7 It is proposed to amend the terms of reference as follows:

#### *Attendance and quorum*

(xxxiv) ~~Four~~ **Three** of the voting members of the Pension Board **including at least one member and one employer representative** shall represent the quorum for Board meetings to discharge business. The Chair or Vice Chair must be present for any meeting to proceed.

(xxxv) *Advisors and co-opted persons do not count towards the quorum.*

2.8 The current quorum of four is higher than the standard half of committee members for all other Council committees, so the amendment will bring it into line with the rest of the Council's governance arrangements. The stipulation of at least one employer and one member representative will ensure a degree of representation from both sides.

### 3. Conclusion and reasons for recommendation

3.1 The Committee is recommended to agree to the appointment of the Pension Board employer representative as set out in the report. Having reflected on the term of membership and the impact of seeking all representations every 4 years, including the potential loss of knowledge and experience from the Board, it was previously agreed that a phased approach to the term of office for Board members will be taken.

3.2 The previously agreed appointment was for a 2-year term, with subsequent appointments then to be made for 4 years. It is proposed that the Pension Board member for the East Sussex District and Borough Councils be appointed until June 2021 in line with the previous term's end date.

3.3 The Pension Board quorum is currently higher than those of other committees of the Council. This leads to a higher risk of meetings being inquorate. It is recommended that the Governance Committee recommends County Council agree to amend the Constitution in relation to the quorum of the Pension Board as set out in paragraph 2.7 of the report.

#### KEVIN FOSTER

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Background Documents:

None