

Report to: Governance Committee

Date of meeting: 1 March 2022

By: Chief Finance Officer

Title: East Sussex Pension Board – Appointment of Member

Purpose: To seek agreement to the appointment of a new member of the East Sussex Pension Fund’s Local Pension Board

RECOMMENDATIONS – The Governance Committee is recommended to appoint Neil Simpson as a member of the East Sussex Pension Board for a term of four years.

1. Background

1.1. The requirement for Public Service Pension Schemes to have a Pension Board was established by the Public Service Pensions Act 2013 for the purposes of “assisting” the Scheme Manager (East Sussex County Council). There is a requirement for the Pension Board to have an equal number of employer and member representatives. The Pension Board also has an independent Chair in addition to the members required under the relevant legislation.

1.2. Following the end of her term the Pensioner Member representative, Diana Pogson, decided she did not wish to pursue a further term on the Board. This has left the Pension Board with a vacancy.

1.3. All Pensioner Members of the East Sussex Pension Fund (the Fund) were informed of the vacancy in October 2021 and invited to provide expressions of interest. The Fund received 16 expressions of interest with 6 of those people submitting a CV and covering statement when asked to do so. From those people the Chair of the Pension Board and Pensions Manager – Governance and Compliance invited three people to meet with them to discuss the vacancy, and their interest in it, in more detail.

1.4. It is believed that all three people who were interviewed for the vacant position on the Pension Board would be suitable for the role. Each offers a different skillset and this has been considered in recommending who would add the most value to the Fund’s Pension Board at the current time.

2. Appointment of Panel Member

2.1. Candidate A had experience as the director of a private occupational pension scheme and senior posts during his career. They discussed an interest in member communications with a focus on content creation. They also demonstrated that they are broadly aware of the challenge involved with having around 130 employers participating in the Fund and the changing appetite for communication as technology develops.

2.2. Candidate B had a communication and IT background. During the process they expressed a keen interest in driving further improvements to how we communicate with members, particularly around access to information and the risk posed by fraudsters. They showed an awareness of key events in the pension industry, such as the age discrimination issue caused by the change in scheme regulations.

2.3. Candidate C had a background in payroll and pensions. They have experience of establishing governance policies and negotiating admission agreements. When discussing

their interest in the role, they demonstrated a good awareness of the role of the Pension Board, ACCESS (the investment pool the Fund is involved with) and current challenges in the pension landscape. They have an interest in working with smaller employers in the Fund who are less likely to fully appreciate the risks associated with participating in the Fund.

2.4. It is felt that all the candidates would be capable of representing both the pensioner members of the scheme and the wider membership as part of the Pension Board. Candidates B and C were found to be slightly more knowledgeable about pension matters and the challenges facing the Fund in the near future. This means that they would be able to reach the required level of knowledge and understanding needed to operate as an effective member of the Pension Board.

2.5. The Fund has recently recruited a Communication Manager to help it improve its communications with both members and employers. This will include making further changes to its website. Current challenges stem from issues with data provided by employers and instigating new policies and procedures during a period of rapid change to the relevant legislation. In light of this, officers and the Chair of the Pension Board believe appointing a person with governance experience and who has experience of the interaction between LGPS Funds and Employers would be most beneficial to the wider membership of the Fund. As all three candidates are of high quality, it is recommended that looking at the wider skillset and interests of the candidates provides a useful differential which allows for the appointment of someone who will offer most value to the Pension Board at the current time.

2.6. Further details of Candidate C's CV contains exempt information and is set out in a later item on the agenda.

3. Term of Appointment

3.1. Members of the Pension Board are normally appointed for a period of 4 years, although the Governance Committee may choose to appoint a person to the Pension Board for a different length of time.

3.2. Currently, all the members of the Pension Board have been appointed on a 4 year cycle. Three appointments are due to come to an end in April 2023, one in October 2023 and one in July 2025. The Chair of the Pension Board's term will end in April 2023.

3.3. In order to minimise the number of appointments which are expected to end at the same time, it is recommended that the Governance Committee appoint Neil Simpson for a term of 4 years.

4. Conclusion

4.1 It is recommended that Candidate C, Neil Simpson, be appointed to the Pension Board as the Pensioner Representative for a term of four years.

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