

Report to: **Pension Board**

Date: **8 September 2015**

By: **Chief Operating Officer**

Title: **Substitute Members on the Pension Board**

Purpose: **To present the Pension Board with a series of options regarding the use of substitutes at Board meetings**

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## **RECOMMENDATIONS**

**The Pension Board is recommended:**

**To either: ask ESCC Governance Committee to approve one of the options detailed in the report for allowing substitute members at Pension Board meetings; or if the Board cannot agree on an option, to ask Governance Committee to itself determine arrangements for allowing substitute members at Pension Board with reference to the stated positions of Board members.**

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### **1. Background**

1.1 The Constitution and Terms of Reference of the Pension Board (PB) were agreed by ESCC Governance Committee (GC) at its March 2015 meeting.

1.2 The March 2015 report refers to the issue of whether substitutes should be permitted on the PB. Point 3.3 of the report states:

*“Consultation and discussion with Union members has been helpful in gaining views from interested parties, and highlighted key representation issues.....In addition, it was asked that substitutes should be allowed, on condition that they have been as fully trained as the Board Member. It is proposed that this only takes place with the agreement of the Pension Board.”*

1.3 While it is not explicitly included in the PB Constitution and Terms of Reference, the officer view is that substitutes on PB are permitted, at the Board's discretion, for the employee (Trade Union) representatives, but not for any other PB members.

1.4 The PB discussed this issue at the July 2015 Board meeting. Members expressed a variety of views on the merits of permitting substitute members, but were unanimous in wanting Governance Committee to determine if and when substitutes are to be permitted rather than leaving it to the discretion of the Board (as in the original GC decision above). The Board resolved to refer the matter to Governance Committee.

1.5 Whilst not wishing to unreasonably delay consideration of this issue, officers feel it would be useful for GC to have a more comprehensive understanding of the PB's position on this issue. Therefore, Board members are asked to consider and, if possible, to approve one of the following options; and to ask the Governance Committee to bear any such preference in mind when it considers the issue of substitutes.

### **2. Options**

2.1 **(1)** Substitutes should be permitted for all PB members (other than the independent Chair) provided that they are named substitute members who have been formally appointed by GC (i.e. in line with the appointment of substantive PB members). All such substitutes must agree to undertake comprehensive training so that they are able to undertake their duties effectively.

Substitutes should only be used when it is impossible (in the estimation of the relevant member organisation) for the substantive PB member to attend a meeting: substitutes are not alternate members, and the effectiveness of PB will be compromised if the membership is not settled.

2.2     **(2)** Substitutes should not be permitted under any circumstances.

2.3     **(3)** Only PB members sitting as Trade Union representatives should be permitted to have substitutes (such substitutes must be appointed by GC, fully trained, and should only attend meetings when it is impossible for the substantive appointee to do so) – i.e. the status quo position.

2.4     **(4)** GC should determine arrangements for PB substitutes (i.e. other than options **(1)**, **(2)** or **(3)** above), but GC should itself set out the circumstances where substitutes will be allowed (i.e. it will not leave this to the discretion of the PB).

### **3. Conclusion and recommendation**

3.1     Pension Board members are requested to agree one of the options for substitution detailed above (points 2.1 to 2.4); and to agree to refer this matter, with their preferred option, and an excerpt from the relevant Pension Board minutes, to Governance Committee for consideration.

3.2     Should the Pension Board be unable to agree one of the options listed, or any other option proposed by Board members, the PB may still choose to refer the issue to Governance Committee, along with an excerpt from the relevant Pension Board minutes.

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LOCAL MEMBERS  
All

BACKGROUND DOCUMENTS  
None