

## East Sussex County Council

### Report of the Independent Remuneration Panel 2020

#### 1. Background

1.1 The County Council is required, by the Local Authorities (Members' Allowances) (England) Regulations 2003, to have regard to the recommendations of the Independent Remuneration Panel in making amendments to the scheme of allowances paid to Councillors. In October 2017, the Council agreed that the Panel be asked to review the Scheme every four years in accordance with the Regulations unless the Assistant Chief Executive considers that there is a change in circumstances that justifies an earlier review or a request is received from a Group Leader.

1.2 Since the last review of the Scheme in 2017, allowances have risen annually in line with increases to Local Managers (LMG) pay. In response to a request received from a Group Leader, the Panel considered whether an SRA should be paid to the Chair of the Pension Committee.

#### Role of the Pension Committee Chair

1.3 The Pension Committee was established in 2015 in response to the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015. The County Council has delegated authority for all pension related investment and administration decisions on behalf of the Administering Authority (ESCC) to the Committee. In addition to the formal meetings, the Chair of the Committee has regular meetings/briefings with officers.

1.4 There are four scheduled meetings of the Committee each year for which there are Chair's briefing meetings. In addition, the Chair of the Committee receives weekly briefings from the Chief Finance Officer and attends the quarterly meetings of the Pension Board whose role is to assist the Administering Authority in carrying out its pension fund management functions.

1.5 The Chair of the Pension Committee has been instrumental in a governance review of the East Sussex Pension Fund (ESPF) – which has considered the Governance arrangements for the fund having regard to the Local Government Pension Scheme (LGPS) Advisory Board's *Good Governance in the LGPS Project*. The recommendations of the Scheme Advisory Board are expected to be enacted via new statutory guidance issued by the Ministry for Community Local Government and Housing in due course. The purpose of the governance review is to ensure that the governance around the fund is fit for purpose and reflects the direction of travel for the sector. The review recognises the potential for there to be inherent conflicts of interest and the need for a degree of separation.

1.6 In order to fulfil the role as Chair of the Committee a significant level of preparation and reading of documentation is required to understand the complexities of the work delegated to the Committee. The Chair also represents the East Sussex Pension Fund (ESPF) in working with the Fund's external advisors and also hosts the ESPF Employer's Forum.

1.7 In 2015 the Government announced its intention to invite Administering Authorities to make proposals for pooling LGPS investments. Investment pooling is intended to create the scale that will enable access to lower investment manager fees and deliver savings to Local Government Pension Scheme (LGPS) Funds. In the pooled investment structure individual funds are responsible for investment strategy and asset allocation decisions.

1.8 In March 2017, the Council agreed that the ESPF join the ACCESS Pool with the following 10 Pension Funds: Cambridgeshire, Kent, Hampshire, West Sussex, Norfolk, Essex, Northamptonshire, Hertfordshire, Suffolk and the Isle of Wight. The ACCESS Pool is governed by the Joint Governance Committee made up one elected councillor from each authority's Pension Committee. Since May 2017, the County Council has agreed that its representative on the Joint Committee is the Chair of the Pension Committee.

1.9 The Joint Committee meets four times a year and, in addition, the Chair of the Committee attends a number of investor/pool briefing and training events during the course of a year.

1.10 The Chair of the Pension Committee has had to respond to 73 public questions at County Council meetings since May 2017. By way of contrast, no other Committee Chair has had to respond to a public question in that period (all other questions have been directed to members of the Cabinet).

### **Comparative Information**

1.11 The other Council committees that meet on a regular basis are the Audit Committee (four meetings a year), the People, Place and Health Scrutiny Committees (four meetings a year each) and the Planning Committee (11 meetings a year). The Chair of each of these four committees receives an SRA of £6,531 per annum.

1.12 The table below sets out SRAs paid to Pension Committee chairs at other County Councils. The Panel acknowledges that this should only be used as a guide as each council will have its own committee structure and terms of reference for each committee and it is therefore not possible to make direct comparisons between the work and role of committee chairs at each authority.

<b>County Council</b>	<b>SRA to Chair of Pension Committee</b>	<b>Notes</b>
Kent	£8,953	Same SRA as Chairs of Planning, Audit and Scrutiny Committees
Essex	£13,500	Same SRA as Chair of Audit and Planning Committees
Hampshire	£12,055	Same as Scrutiny and Planning Chairs. Audit Chair receives £6,028
Surrey	£10,019	Same as Audit and Scrutiny Chair. Planning chair receives £12,024
West Sussex	N/A	Chair of Pension Panel is a Cabinet member
Oxfordshire	£6,000	Same SRA as Chairs of Audit, Planning and Scrutiny Committees
Cambridgeshire	£7,345	Same as Audit and Planning Committees. No Scrutiny.
East Sussex	£0	Audit, Planning and Scrutiny Chairs SRA is £6,531
Buckinghamshire	N/A	Pension responsibilities are the role of a Cabinet member

## **2. Conclusion**

2.1 The Panel was satisfied that the duties and responsibilities of the post were sufficiently onerous and responsible as to warrant the application of the SRA. Regard was also made to the many meetings and briefings required of the postholder. The Panel recommends that:

- a) An SRA of £6,531 per annum be payable to the Chair of the Pension Committee; and;
- b) Payment of the allowance should be backdated to 1 April 2020.

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