

**Report to:** Governance Committee

**Date of meeting:** 13 July 2021

**By:** Chief Finance Officer

**Title:** East Sussex Pension Board - Appointment of new Member

**Purpose:** To agree the appointment of a new Pension Board member, in compliance with the arrangements for the administration of the Local Government Pension Scheme (LGPS) in East Sussex

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## **RECOMMENDATIONS**

**The Governance Committee is recommended to agree to appoint Councillor Toby Illingworth to the Pension Board for a term of four years**

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### **1. Background**

1.1 The Public Service Pensions Act 2013 set out the requirement for Public Service Pension Schemes to have a Local Pension Board. The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 embedded this, setting out the requirement for each Administering Authority to establish a *Local Pension Board* for the purposes of “assisting” the Scheme Manager (East Sussex County Council). 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.

1.2 There is a requirement for the Pension Board to have an equal number of employer and member representatives, and not less than four in total. This is set out by Reg.107 Local Government Pension Scheme Regulations 2013.

1.3 Following the Local Elections of 5 May 2021, the existing employer representative nominated by the Borough and District Councils, Councillor Collier, was elected to East Sussex County Council and stood down from the Pension Board. Currently there are three member representatives and two employer representatives on the Pension Board.

1.4 The Pension Board has an independent Chair in addition to the members.

### **2. Appointment Process**

2.1 The Borough and District Councils nominated three candidates to fill the employer vacancy. These were Councillors Redman and Illingworth of Wealden District Council and Councillor Gauntlett of Lewes District Council.

2.2 Councillor Redman withdrew from the appointment process. Councillor Gauntlett was nominated after the deadline for nominations had passed and was not able to be accommodated within the selection process timescale.

2.3 Councillor Illingworth was interviewed by the Chair of the Pension Board and Pensions Manager – Governance and Compliance to assess his suitability for the role.

2.4 During this meeting it was established that Councillor Illingworth would be a suitable person for the role because he:-

- has a background working in Financial Services and is familiar with working in a regulated environment where there are frequent changes to relevant legislation;
- understands the importance of governance and the need to avoid conflicts of interest;
- appreciates the need to communicate with stakeholder effectively and in a timely manner; and
- is willing to participate in both training events and various working groups as may be required from time to time.

2.5 It is recommended that the Governance Committee appoint Councillor Illingworth to the vacant position on the Pension Board as employer representative.

### **3. Term of appointment**

3.1 Members of the Pension Board can be appointed for either a four-year term or a shorter period. Four members of the Pension Board's terms are due to end in 2023 with one member's term ending in 2022. The Chair's term comes to an end in 2023.

3.2 Appointing a person to the vacant position for a reduced term increases the risk of significant change in the membership of the Pension Board in a short period of time. This would reduce its ability to carry out its role whilst members received the appropriate training to ensure they meet the knowledge and understanding requirements set in legislation.

3.3 The risk associated with Pension Board member turnover can be mitigated by appointing to this vacancy for a full four-year term. This is therefore recommended.

### **4. Conclusion**

4.1 It is recommended that Councillor Illingworth be appointed to the Pension Board as the Employer Representative for the District and Borough Councils.

4.2 It is recommended that the appointment be for a term of four years.

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