

Cambridgeshire Pension Fund

Pension Fund Board

Date: January 2021

Report by: Democratic Services Officer Rob Sanderson

Subject:	Re-Appointment to the Board of the Non-County Council Employer Representative
Purpose of the Report:	To address the need for an appointment to be made to the Board for the one employer representative place not appointed at the Annual County Council meeting for which the term of office expires in February.
Recommendations:	<p>The Pension Fund Board is asked to agree:</p> <ul style="list-style-type: none"> a) To appoint Councillor Denis Payne for a further four-year term as an employer representative on the Pension Fund Board. b) To look to undertake an exercise in July 2021 to seek an employer representative substitute.
Enquiries to:	<p>Name – Michelle Rowe – Democratic Services Manager E-mail – michelle.rowe@cambridgeshire.gov.uk Telephone number: 01223 699180</p>

1. Background

- 1.1 Appointments to this Board are for a period of four years. The membership set out in the Constitution currently includes three employer representatives and three Scheme Member employee representatives. The method of appointment for the three employer representatives is that two are appointed by Cambridgeshire County Council at its Full Council meeting and all other members are appointed via an open and transparent selection process. When this is required, an application pack containing the terms of reference, an outline of the knowledge and understanding and capacity requirements is available and advertised to employers and members within the Fund. Following receipt of applications from potential representatives, a short listing and interview process involving the Council's Monitoring Officer or her representative determines that the representative has the required attributes to carry out the role effectively. At the request of the Board, the Monitoring Officer has agreed that the Chairman/woman and Vice-Chairman/woman of the Board can be involved in the interview process.

- 1.2 In addition to the recruitment process referenced above, it is recognised that this can be a costly and time-consuming process and in May 2019 when the three employee representatives' terms of office were nearing their end, as all three had indicated that they were happy to serve again, a different process was adopted. This recognised that to be able to fully participate in the business of Board meetings requires a

considerable amount of training in terms of the background knowledge regarding pensions' regulations and Pension Fund investments. Taking into account the amount of training already undertaken by the three members, the cost already incurred, the difficulty of finding people with a similar level of knowledge and that there appeared to be no legal reason to prevent their re-appointment, the Board recommended to the Monitoring Officer that the three were appointed for a further four year term. (Relevant extract from the regulations are set out in Appendix 1.

2. Proposals

- 2.1 Councillor Payne, one of the employer representatives on the Board was not appointed by the County Council. He joined the Board in February 2017 following an open and transparent recruitment process. His four-year term of office expires on the 3rd February. Having already been approached by Democratic Services, he has indicated that if the Board is minded to agree to his re-appointment, he would be very happy to serve for another four-year-term of office. In addition, Pensions officers have indicated that due to the continued strains placed on the Service by the corona virus pandemic and the need to prioritise their work areas, they would not be able to assist in any recruitment exercise for at least six months. Failure to re-appoint would result in an unbalanced Board with one vacancy.
- 2.2. Due to his considerable knowledge in the area, and the training he has already received, Councillor Payne is a highly respected member of the Board who contributes greatly to the discussion at Board meetings. His reappointment will provide stability in terms of employer representation – the other two employer representatives are appointed in light of the wider demands of the Council, which sometimes means the Fund can unfortunately lose an experienced Member following the Annual County Council Meeting. This would provide stability, subject of course to the democratic process. For these reasons, the recommendation is that Councillor Payne is re-appointed to the Board for a further, four-year term. The Monitoring Officer has already been approached, and for the reasons set out, agrees that this is the most sensible and mutually advantageous course of action.
- 2.3 The Board will be aware that at the November meeting it was agreed that Scheme members should have substitutes in order to provide greater resilience. It is suggested that Democratic Services and Pensions officers look to undertake a further recruitment exercise in July 2021 to seek to obtain a suitable substitute employer representative for Councillor Payne. This would have two advantages, once that person has received the appropriate level of training they would be able to substitute for Councillor Payne, and they will also be the ideal person to take over when Councillor Payne's term of office ends, or if for any reason, he chooses to step down before his term of office expires.

3. Relevant Fund Objectives

- 3.1 Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
 - 3.2 Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
 - 3.3 Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
4. Finance & Resources Implications
- 4.1 Not applicable at this stage. There would be a cost to the propose recruitment exercise and training programme for the appointment of a substitute.

5. Risk Implications

5.1 Not applicable.

6. Communication Implications

6.1 Not applicable.

7. Legal Implications

7.1 Not applicable

8. Consultation with Key Advisers

8.1 Consultation with the Fund's advisers was not required for this report.

9. Alternative Options Considered

9.1 Not applicable

10. Background Papers

10.1 [Agenda and Minutes of Local Pension Fund Board meetings 3rd May 2019 and 6th November 2020](#)

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	Not applicable
Has this Report been checked by the Monitoring Officer	Yes
Has this report been cleared by Head of Pensions?	Yes

2.2 The regulations that apply to the Board membership are as follows:

Local pension boards: membership

107.—(1) Subject to this regulation each administering authority shall determine—

- (a) the membership of the local pension board;
- (b) the manner in which members of the local pension board may be appointed and removed;
- (c) the terms of appointment of members of the local pension board.

(2) An administering authority must appoint to the local pension board an equal number, which is no less than 4 in total, of employer representatives and member representatives and for these purposes the administering authority must be satisfied that—

- (a) a person to be appointed to the local pension board as an employer representative has the capacity to represent employers; and
- (b) a person to be appointed to the local pension board as a member representative has the capacity to represent members.

(3) Except where a local pension board is a committee approved under regulation 106(2) (committee that is a Scheme manager is also local pension board)—

- (a) no officer or elected member of an administering authority who is responsible for the discharge of any function under these Regulations (apart from any function relating to local pension boards or the Local Government Pension Scheme Advisory Board) may be a member of the local pension board of that authority; and
- (b) any elected member of the administering authority who is a member of the local pension board must be appointed as either an employer representative or a member representative.

(4) Where a local pension board is a committee approved under regulation 106(2) (committee that is a Scheme manager is also local pension board) the administering authority must designate an equal number which is no less than 4 in total of the members of that committee as employer representatives and member representatives and for these purposes the administering authority must be satisfied that—

- (a) a person to be designated as an employer representative has the capacity to represent employers; and

(b) a person to be designated as a member representative has the capacity to represent members.