

Lancashire Local Pension Board

Meeting to be held on Tuesday, 13 October 2020

Electoral Division affected: None;

Succession planning for Members of the Lancashire Local Pension Board

Contact for further information:

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Executive Summary

This report relates to a proposed timetable for the future recruitment of a new independent Chair and Employer/Scheme Member representatives on the Pension Board.

Recommendation

The Board is asked to comment on the proposed timescale for the recruitment of a new Chair and Employer/Scheme Member representatives as set out in the report

Background and Advice

After the Annual Review of the Board in January 2020 the Chair produced a report on his findings which included a recommendation that consideration be given to succession planning for members of the Board and in particular whether the Fund should have an option to invite members retiring at the end of their 8 year term to continue for two more years.

The Chair's report was approved by all members of the Board under the written resolution procedure as reported to the meeting on the 14th July 2020.

This report refers to the current membership arrangements for the Board, as set out in the revised Terms of Reference approved by the Pension Fund Committee on 18th September 2020, and proposes a timetable for the recruitment and appointment of new members in the future.

Membership of the Board

The Pension Board was established in 2015 and consists of nine members, four Employer representatives, four Scheme Member representatives and an independent Chair.

- a) The two employer representatives appointed by Lancashire County Council are County Councillor M Salter and Mr T Pounder, Director of Adult Services who comply with the requirements of the relevant regulations in relation to avoidance of conflict with the County Council's role as Administering Authority.
- b) The employer representative drawn from the Unitary, City, and Borough Councils and the Police/Fire bodies which are employers within the Lancashire County Pension Fund (the Fund) is Mr S Thompson from Blackpool Borough Council.
- c) The employer representative drawn from all other employers within the Fund is Mr C Gibson from Edgehill College.
- d) The four scheme member representatives drawn from the membership of the Fund are Ms K Haigh, Ms Y Moulton, Mr K Wallbank and Ms D Parker.
- e) The independent Chair selected and appointed by the County Council as the Administering Authority for the Fund is Mr W Bourne.

Term of appointment

The Independent Chair was appointed by the Full Council for an initial 2 years which is due to expire on the 1st April 2021, though there is an option for the appointment to be extended for an additional 2 years to 1st April 2023. As the contract also relates to the position of independent Chair of the Pension Board for the London Pension Fund Authority (LPFA) the initial appointment was approved by that Authority and any extension would also need approval by the LPFA.

The other members of the Board were appointed for a maximum term of 8 years and, other than as a result of retirement at the expiry of this period, their term of office will come to an end:

- i) For employer representatives who are councillors if they
 - cease to hold office as a councillor,
 - are appointed to serve on the Pension Fund Committee,
 - are replaced in accordance with the change of membership procedure adopted by the County Council, or
 - are removed by a resolution of the Full Council.
- ii) For employer representatives who are not councillors when they cease to be employed by the employing body where they were employed on appointment;
- iii) For a scheme member or employer representative if they are appointed to a role with responsibility for the management or administration of the Fund.
- iv) For scheme member representatives if they cease to be a member of the Fund.

- v) Where there is a conflict of interest which cannot be managed in accordance with the Conflict of Interests Policy.
- vi) Where an individual fails to attend meetings, undertake training or otherwise comply with the requirements of being a member of the Pension Board.

In addition to ceasing to be eligible for the reasons as set out above, a Board member (including the independent Chair) may only be removed from office during a term of appointment by the consent of the Full Council

Further details regarding the individual term of appointment for Board members are set out in **Appendix 'A'** to this report.

In accordance with the decision of the Board consideration has been given to succession planning for Board members and a proposed programme for the recruitment and appointment of new members in the future is set out at **Appendix 'B'** to this report.

The Terms of Reference for the Board specify the recruitment process to be used for Board members as set out below.

With regard to the appointment of a new Independent Chair any appointee must not be a member of the Fund and the appointment will only be made following an openly advertised competition for the role. Interviews will be arranged and conducted as necessary by the Head of the Pension Fund who shall make a recommendation to the Pension Fund Committee for consideration who will then refer the matter to the Full Council for a decision as appropriate.

Employers within the Fund will be informed of any vacancy for an Employer representative to be drawn from:

- Unitary, City, and Borough Councils and the Police/Fire bodies which are employers within the Fund or
- Other employers within the Fund.

Any vacancy for a Scheme Member representative shall be brought to the attention of employer and member representative bodies to enable the vacancy to be advertised as widely as possible. This will include details of the vacancy being published on websites as appropriate.

Expressions of interest from Employers and Scheme Members regarding vacancies on the Board shall be submitted to the county council's Director of Corporate Services.

All nominations and expressions of interest received will be subject to an initial sifting process by the Head of the Pension Fund in consultation with the Chair of the Lancashire Local Pension Board. Nominations and expressions of interest will be considered against the role profile and having regard to equal opportunities legislation. In the event that more than one suitable candidate is identified, there will be a formal interview process involving the Chair and two other members of the Pension Board with any recommended appointment being made on merit.

Once a suitable representative has been identified they would need to be formally appointed to the Board by the Full Council.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Succession planning will enable new Board members to be recruited and appointed in advance of existing members reaching the end of their term of appointment thereby ensuring a smooth transition in terms of membership and minimise the disruption to the operation of the Lancashire Local Pension Board.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate

N/A