

Essex Pension Fund Strategy Board	PSB 08
Date: 04 March 2020	

Arrangements for PSB Representatives

Report by the Compliance Manager

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1. Purpose of the Report

- 1.1 To update the Board on the progress to fill the two upcoming vacancies on the Essex Pension Fund Strategy Board (PSB) for the Other Employing Bodies representative and the Scheme Member representative (UNISON).
- 1.2 To advise the Board of the processes undertaken and the results for the recruitment of the PSB's Other Employing Bodies representative and Scheme Member representative (UNISON).

2. Recommendation

- 2.1 That the Board note the reappointment of Sandra Child as the Scheme Member representative (UNISON).
- 2.2 That the Board note the update in relation to the recruitment process for the Other Employing Bodies representative.

3. Background

Scheme Member Representative (UNISON)

- 3.1 The Board were notified at their 18 December 2019 meeting that the 4-year term for the Scheme Member representative provided by UNISON would expire end of March 2020.
- 3.2 For consistency of knowledge and skills that the current Scheme Member representative had attained throughout their term, the Board requested that UNISON be approached to reappoint the current incumbent for another term.

Other Employing Bodies Representative

- 3.3 The Board were notified at their July 2019 meeting that the current Other Employing Bodies representative would be retiring during the summer of 2019 and would not be able to carry out their role on the PSB after the 11 September 2019 PSB meeting.
- 3.4 Members of the PSB agreed at their 11 September meeting to extend the term of the current incumbent whilst they continued to assist their Employer with ad hoc support, thus providing consistency throughout the Valuation process. The current incumbent agreed to stay on the Board until the March 2020 meeting.
- 3.5 The Board approved the recruitment process at their 18 December 2019 meeting.

4. Update on recruitment activity

Scheme Member Representative (UNISON)

- 4.1 Fund Officers reached out to UNISON to request that the current incumbent be appointed for a further 6-year term to enable the Board to retain the knowledge and skills of the individual and to provide a good level of consistency.
- 4.2 UNISON contacted the Fund on 10 January 2020 stating that they had consulted with colleagues that represent their membership. This consultation ended on 07 January 2020 and they confirmed that they would like to nominate Sandra Child for another term of office.
- 4.3 A notice of term letter agreed by the Chairman was issued to Sandra Child on 21 February 2020.

Other Employing Bodies Representative

- 4.4 A communication was issued to all eligible employers on 6 January 2020. As the Fund were reaching out to all employers to consult on the Funding Strategy Statement, approval was sought to use this as an opportunity to further advertise the vacancy.
- 4.5 The deadline for nominations had been extended to 29 February 2020.
- 4.6 A revision of the timeline to cover the next steps has been provided below:

Timetable

- | | |
|---------------|--|
| 09 March 2020 | Dependent on number of nominations, suitability interviews may be offered.

and/or

Invitation to vote for representatives – an email detailing the nominees will be sent out to all eligible employers asking for their vote (each employer has 1 vote) which will be taken via email to the Compliance.Team@essex.gov.uk . |
| 18 March 2020 | Voting closes – votes will be counted by the Compliance Team*. |
| 20 March 2020 | Chairman and Vice Chairman informed of the outcome. |
| 31 March 2020 | Arrangements made to notify PSB, PAB and eligible employers. |
- 4.7 *In the event of a tie, those individuals will be asked to attend an interview with the Chairman and/or Vice Chairman of the Board supported by Officers of the Fund.
- 4.8 The term of office for the person elected will be 6 years from their first meeting.

5. Link to Essex Pension Fund Objectives

- 5.1 Fulfilling the Other Employing Bodies representative and Scheme Member Representative (UNISON) vacancies on the PSB will assist in the Board in achieving the following Fund objectives:

- Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice;
- Ensure the Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise; and
- Act with integrity and be accountable to our stakeholders.

6. Risk Implications

6.1 Failure to include representatives of Other Employing Bodies and Scheme Members (UNISON) in the Board's membership could result in:

- Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/LGPS reforms and systems not kept up-to-date leading to reputational damage and financial loss;
- A lack of expertise, insufficient knowledge and maintenance of the PSB, ISC and PAB arising out of high turnover and/or changes within the LGPS benefit structure, regulations and associated directives/deliverables; and
- Failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage.

7. Communication Implications

7.1 Other than ongoing reporting to the PSB, there are no communication implications.

8. Finance and Resource Implications

8.1 Budgetary provision will need to be made for the payment of appropriate expenses to the Other Employing Bodies representative.

9. Background Papers

9.1 Arrangements for Other Employing Bodies Representative, PSB 07, 11 September 2019.

9.2 Arrangements for Other Employing Bodies Representative, PSB 04.a, 18 December 2019.

9.3 Arrangements for Scheme Member Representative, PSB 04.b, 18 December 2019.