

Essex Pension Fund Strategy Board	PSB 05b(ii)
Date: 15 December 2021	

Essex Pension Fund Advisory Board (PAB) Scheme Member and Independent Chairman Recruitment

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

This Report requires a decision

Executive Summary

The report provides the Board with the outcome of the PAB Scheme Member Representative recruitment.

In addition, a recommendation has been provided for the Board's consideration in regard to the PAB Independent Chairman recruitment.

1. Purpose of the Report

- 1.1 To provide the Board with the outcome of the Scheme Member recruitment on the PAB.
- 1.2 To outline a recommendation for the Board's consideration for the re-appointment of the Independent Chairman of the PAB.

2. Recommendations

- 2.1 That the Board **agrees**:
 - to reappoint Nicola Mark, MBE to the role of the Independent Chairman for a term of four years with the option to extend for a further two-years in line with the PAB's Terms of Reference;

- to note the appointment of Christopher Downs, Essex County Council to the vacant Scheme Member representative position on the PAB; and
- to note the content of the report.

3. Background

3.1 The PAB are appointed by Essex County Council as its Local Pensions Board in accordance with section 5 of the Public Service Pensions Act 2013 and Part 3 of the Local Government Pension Scheme Regulations 2013.

3.2 In line with the PAB's Terms of Reference, it shall consist of nine Members and comprise of:

i. Four Employer Representatives made up of one from each of the following groups of Employers in the Essex Pension Fund:

- Essex County Council (an Elected Member);
- the District, City and Borough Councils of Essex (an Elected Member);
- Southend-on-Sea and Thurrock Unitary Authorities (an Elected Member);
- all other Employers;

ii. Four Scheme Member Representatives of which:

- one nominated by the Trade Unions; and
- the rest drawn from the total Essex Pension Fund active, deferred and pensioner membership;

iii. One Independent Chairman.

3.3 At their 07 July 2021 meeting, the PSB agreed to recommence the recruitment for the PAB Scheme Member Representative and at their 22 September 2021 meeting, the commencement of the recruitment process for the PAB Independent Chairman.

3.4 The Appointments Panel was set up to undertake these recruitment activities in line with the PAB's Terms of Reference. The Membership was confirmed for both meetings as:

(i) the Chairman of the PSB;

- (ii) the Scheme Member representative from the PSB; and
- (iii) the Director for Essex Pension Fund.

4. Independent Chairman

- 4.1 The provisional timetable agreed for the recruitment of the Independent Chairman is detailed below:

Date	Action	Owner
22 September 2021	PSB agree the Membership of the Appointments Panel, timetable, and process.	PSB
October 2021	Appointments Panel to agree job specification and remuneration.	Appointments Panel
October 2021	Advertising of vacancy via: <ul style="list-style-type: none"> • Appropriate external websites; and • Essex Pension Fund Website and LinkedIn. 	Fund Officers
10 November 2021	Closing of advertisement and evaluation.	Fund Officers
November 2021	Evaluation agreed by the Appointments Panel.	Appointments Panel and Fund Officers
15 December 2021	Confirmation of appointment of Independent Chairman and ratification of decision by PSB.	Fund Officers and PSB

- 4.2 Fund Officers received one application from the current incumbent which included a covering letter/email and Resume.

- 4.3 As a consequence, Fund Officers advised the Panel that an interview would not be required and therefore carried out a desktop Evaluation of the application for consideration by the Panel.
- 4.4 Members of the Appointments Panel were requested to review the outcome of the Evaluation and provide the Compliance Manager with their agreement or challenge of the scores by close of business Monday 22 November 2021.
- 4.5 No challenge was received, all Members of the Panel agreed with the evaluated scores as follows:
(0 = unacceptable response, 1 = poor response, 2 = satisfactory response, 3 = good response, 4 = very good response, 5 = excellent response)

Area of review	Maximum Score Available	Score Awarded
Independence	5	5
LGPS Knowledge and Understanding	5	5
Capacity and Commitment	5	3
Skills	5	4
Other details on application and/or Resume to be considered	5	4
Other known details not included on application or Resume that should be considered	5	4
TOTAL	30	25

- 4.6 It is therefore recommended that the PSB agree to reappoint Nicola Mark, MBE to the role of the Independent Chairman for a term of four years with the option to extend for a further two-years in line with the PAB's Terms of Reference.

5. Update on Scheme Member Representative Recruitment

- 5.1 Following agreement at the 07 July 2021 meeting, the revised Recruitment process commenced to fill the vacant position of the Scheme Member representative on the PAB.
- 5.2 Three Scheme Members applications were received by the closing date of 17 September 2021.
- 5.3 All three applicants were invited to interview, and these were held on 04 October and 13 October 2021 respectively.
- 5.4 The outcome of the interview process are provided below:

Area of questioning	Maximum Score Available	Score Awarded Interview No.1	Score Awarded Interview No.2	Score Awarded Interview No.3
The Role of the PAB Member	5	1	3	2
Accountability to stakeholders and beneficiaries	5	2	3	2
Knowledge, Skills and Training	5	2	2	1
Risk Management	5	1	3	1
Personal Experience	5	2	3	2
Representing Members	5	0	3	2
Areas of Focus	5	1	2	1
Conflict of Interest	5	2	4	3
Communication	4	1	4	1
TOTAL	44	12 (3rd)	27 (1st)	15 (2nd)

- 5.5 The position of the PAB Scheme Member representative was offered to the individual in 1st position which was subsequently accepted.
- 5.6 Christopher Downes from Essex County Council commenced his term on the PAB on 19 October 2021 for a period of up to six years.

6. Link to objectives

- 6.1 Act with integrity and be accountable to our stakeholders.
- 6.2 Ensure the Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise.

7. Risk Implications

- 7.1 Without full membership of the PAB, the Fund are in breach of the Public Service Pensions Act 2013 and therefore are at risk of not fulfilling their duties as a critical friend to the PSB.
- 7.2 Links to Risk Register include:
- failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage; and
 - a lack of expertise, insufficient knowledge, and maintenance of the Essex Pension Fund Strategy Board (PSB), Essex Pension Fund Investment Steering Committee (ISC) and Essex Pension Fund Advisory Board (PAB) arising out of high turnover and/or changes within the Local Government Pension Scheme (LGPS) benefit structure, regulations, and associated directives/deliverables.

8. Communication Implications

- 8.1 Other than ongoing reporting to the Board, there are no further communication implications.

9. Finance and Resource Implications

- 9.1 The remuneration for the Independent Chairman position on the PAB was agreed by the Appointments Panel as £2,000 per PAB meeting¹ (inclusive of tax) including travel and accommodation. This fee also includes pre/post reading and communications with the Fund prior to and after the PAB meetings. In addition, the Independent Chairman will be expected to attend all PSB meetings as an observer to enable the PAB to fulfil their oversight role. This remuneration will be met by the Fund's existing 2021/22 Budget.
- 9.2 In addition, in line with the PAB's Terms of Reference, Scheme Member Representatives are expected to be given the required paid time from their Employer to attend PAB meetings and any associated training events applicable to their role.

10. Background Papers

- 10.1 Essex County Council Constitution and the Essex Pension Fund Advisory Board Terms of Reference therein.
- 10.2 PAB Scheme Member and Independent Chairman Recruitment, PSB 06b, 22 September 2021.
- 10.3 PAB Recruitment, PSB 09b(iii), 07 July 2021.
- 10.4 PAB Vacancy, PSB 07.C, 17 March 2021.
- 10.5 PAB Independent Chairman Arrangements, PSB 11, 16 December 2020.

¹ Payment will only be made if the PAB meeting has been attended.