

Essex Pension Fund Strategy Board	PSB 06b
Date: 22 September 2021	

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

Report by the Compliance Manager

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Executive Summary

The current term for the Essex Pension Fund Advisory Board (PAB) Independent Chairman is due to cease in January 2022. This paper sets out the proposed recruitment process and timeline to recruit this position. In addition, an update has been provided in regard to the recruitment of the current vacant Scheme Member position on the PAB.

1. Purpose of the Report

- 1.1 To provide the Board with an update in regard to the current Scheme Member vacancy on the Essex Pension Fund Advisory Board (PAB) and to outline a proposed recruitment process for the Independent Chairman for the Board's consideration.

2. Recommendations

- 2.1 That the Board **agrees**:
 - the Appointments Panel be created to carry out the Independent Chairman recruitment;
 - the proposed timetable and process for this recruitment;

- to note the update in regard to the vacant Scheme Member position; and
- the content of the report.

3. Background

3.1 The PAB is 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.

4. Update on Scheme Member Representative Recruitment

4.1. Following agreement at July's meeting, a communication was issued to all Employers on 30 July 2021 to re-advertise the vacant position.

- 4.2. Advertisements were also published via the Essex Pension Fund Website and ECC Intranet. In addition, flyers were enclosed with every Active Member's Annual Benefit Statement which were issued at the end of August.
- 4.3. The closing date for this position is 17 September 2021. Officers will provide a verbal update in regard to the expression of interest received and next steps during the meeting.

5. Independent Chairman

- 5.1 At the 16 December 2020 PSB, the Board agreed to extend the Independent Chairman's term for a further six months.
- 5.2 The current term of the Independent Chairman will cease on 15 January 2022 and as a consequence a recruitment process to fulfil this role will be undertaken.
- 5.3 Following agreement from the Board, the Appointments Panel will be:
- (i) the Chairman of the PSB;
 - (ii) the Scheme Member representative from the PSB; and
 - (iii) the Director for Essex Pension Fund.
- 5.4 Advice will be sought from the Independent Governance and Administration Adviser (IGAA) where required and will also be supported by Officers of the Fund as considered appropriate.
- 5.5 The proposed timetable for the Independent Chairman recruitment 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

Date	Action	Owner
October 2021	Advertising of vacancy via: <ul style="list-style-type: none"> • Appropriate external websites; and • Essex Pension Fund Website and LinkedIn. 	Fund Officers
31 October 2021	Closing of advertisement and evaluation.	Fund Officers
November 2021	Interview 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
January / February 2022	Carry out induction training.	Fund Officers
23 March 2022	1 st PAB Meeting.	Independent Chairman

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 The advert for the Independent Chairman will be advertised on appropriate external websites and the Essex Pension Fund website.
- 8.2 Other than ongoing reporting to the Board, there are no further communication implications.

9. Finance and Resource Implications

- 9.1 The process will be carried out by Fund Officers. Should advice be required by the Fund's IGAA, this will be met within the existing 2021/22 Budget.
- 9.2 The remuneration for the Independent Chairman position on the PAB is yet to be agreed by the Appointments Panel, but will be met by the Fund's existing 2021/22 Budget.

10. Background Papers

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