

Item 16 Local Pension Board

Council is requested to consider the views of the Departmental Representative and Trade Union Forum with regard to Recommendation (v) 'process for nominations and appointments'.

As set out in paragraph 7.3 of the report, it was intended to consult with departmental representatives and recognised trade union representatives at the corporate forum held by the Director of Human Resources in February. This took place on 12th February 2015 and the proposals concerning the establishment of a Local Pension Board were discussed.

Whilst broadly in agreement with the proposals, the forum held a unanimous view that the selection of member representatives to the Board should be by way of election rather than appointment. They did not accept that the appointments should be made by General Purposes and Licensing Committee or that, if more than two nominations are received, they should be considered by an Officer appointments panel. The forum disagreed that the nomination process was sufficient to provide for a fair and democratic selection and that all scheme members, including deferred and pensioner members, should be given the opportunity to vote. It was agreed that this would be conveyed to Council for consideration.

The manner in which Board members are appointed is not prescribed in the Regulations and is to be determined by the Administering Authority. Officers consider that the nomination and appointment process set out in the report is adequate and request that Council also considers the cost, time and resource implications of holding an election involving some 15,000 members (including deferred and pensioner members) across the range of employers in the Fund (67 scheduled bodies, 4 admission bodies and the council). The resource implications are considerable and likely to require an external resource to facilitate an election and this will result in additional costs, although these could be legitimately charged to the Pension Fund. An election would be needed whenever a member representative is required to be appointed to the Board (eg. at the end of each three year term of office).

The role of the Local Pension Board is to assist the Administering Authority. Additionally, the Regulations stipulate that it is the responsibility of the Administering Authority to establish the Board, determine its membership and be satisfied that Board members have the capacity to represent employers or scheme members and that they do not have a conflict of interest. In the view of officers it is therefore reasonable that the appointments be made by the Administering Authority and by the General Purposes and Licensing Committee, as set out in the report, under their existing responsibilities for the overall administration of the Scheme.

Views have been sought from the Chairman of Pensions Investment Sub-Committee and the Chairman of General Purposes and Licensing Committee who are in agreement that the nomination and appointment process should be as set out in the original report thereby avoiding the requirement for an expensive ballot.