

Wiltshire Council

Annual Council

12 May 2015

Appointments to the Local Pension Board

Executive Summary

Following on from the establishment of the Local Pension Board with the agreement of the Terms of Reference at Council's last meeting on 24 February 2015, there is now a need to agree nominations to this Board for the roles of scheme member representatives, employer representatives and an independent chair to ensure it can become operational by 31 July 2015.

This in accordance with the Council's statutory obligations under the Public Sector Pension Act (2013) along with the Local Government Pension Scheme (Amendment Governance) Regulations 2015.

Proposal

To approve the following appointments:

As Scheme member representatives:

David Bowater – Active Member, Wiltshire Council

Mike Pankiewicz – Active Member, Wiltshire Council & Unison Representative

Barry Reed – Retired Member, Unison Representative

As Employer representatives (Group 3):

Lynda Croft

As Independent Chairman:

Howard Pearce

Reason for Proposal

To ensure that Wiltshire Council complies with its statutory obligations as administering authority to the Wiltshire Pension Fund.

Carolyn Godfrey
Corporate Director

Wiltshire Council

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Purpose of Report

1. To make appointments to the Local Pension Board (LPB)

Relevance to the Business Plan

2. There is a legal requirement for Wiltshire Council, in its role as Administering Authority to the Wiltshire Pension Fund to establish a LPB by 1 April 2015.

Background

3. Council at its last meeting held on 24 February 2015 resolved to establish the LPB in accordance with the Public Sector Pension Act (2013) along with the Local Government Pension Scheme (Amendment Governance) Regulations 2015.
4. The Terms of Reference of the Board were also approved by Council. These have been updated under delegation granted by Council to the Associate Director (Finance) or his nominated representative to make further amendments as the result of further consideration of the relevant legislation and government guidance. A copy of the updated Terms of Reference is attached at Appendix 1.

Membership

5. In accordance with the terms of reference, the Board shall consist of 6 voting members, as follows:
 - 3 Scheme Member Representatives; and
 - 3 Employer Representatives.
6. There will also be an independent chair who is not entitled to vote.
7. There is a requirement for the appointments of the above representatives and independent chair to be confirmed by Council. The appointment of the Chair then has to be ratified at the first meeting of the LPB by the voting members of the Board.

8. The process to recruit to these appointments is set out in the Terms of Reference and this has been complied with.

Nominations for Scheme Member Representatives

9. The Wiltshire Pension Fund invited all members of its Fund to submit nominations for the role of scheme member representatives for the LPB by 15 April 2015. This role was advertised in the members newsletters issued in March, on the Fund's website and through employers internal communication channels. Nominations packs were available on the website outlining the job profile and person specification.
10. All nominees were reviewed against the published criteria and those shortlisted were invited to interview with the Head of Pension, as nominated representative of the Associate Director (Finance). Following the interview details of the recommended nominations were passed to the Associate Director (Finance) and Associate Director (Legal & Democratic Services) for consideration prior to recommendation to Council.
11. The nominees recommended to Council for approval are:

David Bowater – Active Member, Wiltshire Council

Mike Pankiewicz – Active Member, Wiltshire Council & Unison Representative

Barry Reed – Retired Member, Unison Representative

Nominations for Employer Representatives

12. The Wiltshire Pension Fund invited all employer organisations within the Fund to make nominations for the 3 employer representatives by 15 April 2015 and a nomination pack was made available on the Fund's website.
13. In line with the agreed Terms of Reference, the appointments were provisionally allocated to each of the following types of organisations according to their approximate size (by employee numbers):
 - Group 1 - Wiltshire Council
 - Group 2 - Other large employers (Swindon Borough Council and Wiltshire Police)
 - Group 3 - Other smaller employers
14. Nominations were reviewed in line with the published person specification, and shortlisted candidates were interviewed initially by the Head of Pensions as nominated representative for the Associate Director (Finance) on 29 April 2015. Following the interview details of the recommended nominations were passed to the Associate Director (Finance) and Associate Director (Legal & Democratic Services) for consideration and approval prior to recommendation to Council.
15. From this process **Lynda Croft**, Director of Finance at Wiltshire College is the nominated employer representative (Group 3) for other smaller employers.

16. No nominations were received for Group 2 and there were no other suitable candidates. Therefore this position remains vacant. However, Swindon Borough Council has indicated that it would look to put forward a nomination following their local elections in May.
17. The nominations from Wiltshire Council (Group 1) is still being finalised and a recommendation will be provided to Council for approval in due course.

Nominations for the Independent Chair

18. Nominations for the role of Independent Chair were sought through adverts on the Fund's website and the Wiltshire Council job vacancy website. Nominations packs included the role profile and person specification with a closing date of 15 April 2015.
19. This person cannot have any current employment, contractual, financial or other material interest in the Council, be a scheme employer or member of the Wiltshire Pension Fund or be an elected member of Wiltshire Council.
20. All applicants were reviewed against the published criteria of relative experience and capacity to undertake the role. A shortlist was then drawn up and invited to interview with the Associate Director (Finance), Head of Pensions, and a representative from the Fund's actuary.
21. Following this process, a preferred candidate, **Howard Pearce** was identified and recommended to the Associate Director (Legal & Democratic Services) and Associate Director (Finance). This candidate is formally recommended to Council for appointment, but still subject to the passing of a motion by the majority of the employer and member representatives of the first LPB meeting in July.

Remuneration of the Independent Chair

22. At this meeting on 24 February 2015, there was a decision to refer the level of remuneration for the independent chair of the LPB to the Independent Remuneration Panel (IRP). Although, this role is outside the members' allowances scheme, it was hoped to use the IRP as a mechanism for assessing and recommending a level of remuneration for the Chair. However, due to difficulties with convening the IRP it has meant this has not been possible.
23. The level of remuneration has therefore been considered by Associate Director (Finance) taking into account factors such as the time the position will take up, the detailed pension knowledge, skills and expertise required for the role and the comparative information with other authorities appointing to this role. The Wiltshire Pension Fund Committee was also asked for its views. The result is that the level of remuneration for the Chair has been assessed as £9,216 and this has been agreed with the Associate Director (Finance) and the Monitoring Officer.

24. The remuneration for the services of the Chair is an operational cost to the Wiltshire Pension Fund and does not have a direct impact on the budget of Wiltshire Council.

Safeguarding Implications

25. There are none.

Public Health Implications

26. There are none.

Corporate Procurement Implications

27. There are none.

Equalities Impact of the Proposal (detailing conclusions identified from Equality Analysis, sections 4 and 5)

28. There are none.

Environmental and Climate Change Considerations

29. There are none.

Risk Assessment

30. The main risk is reputational from the failure to make the LPB operational by the 31 July 2015 in line with the Local Government Pension Scheme regulations.

Risks that may arise if the proposed decision and related work is not taken

31. If the LPB is not operational by 31 July 2015, Wiltshire Council will not be fulfilling its statutory legal obligations in line with the Local Government Pension Scheme (Governance) Regulations 2015.

32. To approve the nominees as representatives of the LPB will ensure there is sufficient voting members to form a quorum for its meeting in July.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

33. There are no significant risks arising from the implementation of the LPB.

Financial Implications

34. The financial implications of these proposals are outlined in paragraphs above in respect of the level of remuneration for the role of independent chair. All costs of operating the LPB are a direct charge to the Wiltshire Pension Fund and not the Wiltshire Council budget.

Legal Implications

35. The implication of the LPB not being operational is Wiltshire Council is not compliant with government legislation and its statutory obligations. This may lead to a number of potential possibilities including intervention by the Regulator, a judicial review, a complaint to the Local Government or Pension Ombudsman for maladministration, or an adverse comment by the Administering Authority auditor or national Scheme Advisory Board.

Options Considered

36. Not applicable

Conclusions

37. The appointment of the nominees to the LPB ensures that it can become operational in line with the Local Government Pension Scheme Regulations.

Carolyn Godfrey
Corporate Director

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30 April 2015

Background Papers

None

Appendices

Appendix – Local Pension Board of Wiltshire Council – Amended Terms of Reference
