



South Tyneside Council

Local Pension Board

Date: 1st April 2021

Local Pension Board - Appointments for the period 2021/22 to 2023/24

Report of the Head of Pensions
(for decision)

Purpose of report

1. This report updates the Board on the appointments process for the Local Pension Board for the period 2021/22 to 2023/24.
2. The Board is recommended to:
 - Give its approval to the reappointment of any existing Board member(s) who is so nominated by their employer or Trade Union;
 - Note the process that is to be followed for the appointment of Board members for the period 2021/22 to 2023/24.

Background

3. The Local Pension Board was established by South Tyneside Council on 12 March 2015.
4. The Council's Constitution and the Governance Statement for the Local Pension Board provide that the Local Pension Board will consist of 8 members, with the membership to be comprised in the following way:
 - 4 member representatives who are to be nominated by the relevant Trade Unions;
 - 3 employer representatives who are to be nominated by participating employers; and
 - 1 South Tyneside Council Councillor who is independent of Pensions Committee (also classed as an employer representative).
5. The appointments that were made for the period of 2018/19 to 2020/21 are about to expire. South Tyneside Council is now required to seek new nominations and this report will outline the process that is to be followed in respect of each of the categories of representatives as well as the position of the existing Board members.

Governance Documents

6. In accordance with the decision of Pensions Committee in February 2021, the newly approved Governance Documents for the Board will only come into effect once the new Board has been appointed. Consequently, the forthcoming appointment programme for the Board will be undertaken in accordance with the existing Governance Documents.

Existing Board Members

7. The position of the existing Board members needs to be differentiated between the current Vice Chair, Nicholas Wirz, and the other Board members.
8. In relation to the Vice Chair, the current Governance Statement states:

35. After the initial three (3) year term, the appointment of the Chair shall be made by ascension from the previous Vice Chair.
9. Applying paragraph 35 of the Governance Statement, Nicholas Wirz will automatically be appointed as a Board member for the period 2021/2022 to 2023/24 and will be the new Chair of the Board. This is of course subject to Unison being willing to put Nicholas forward as a

member representative. This is the last time the automatic ascension of the Vice Chair to the Chair will apply as this has been revoked in the new Governance Documents, which come into force when the new Board term starts.

10. In respect of the other Board members, the following extracts of the Governance Statement are noted:

38. The term of office for Board members is three (3) years. A Board member's term of office ends and they are not reappointed, unless they are the current Vice Chair.

39. A Board member may be appointed for further terms of office by the Committee with the agreement of the Board.

11. Under the terms of the Governance Statement, the appointment of all other Board members (i.e. excluding Nicholas Wirz) will terminate at the end of the current three-year period.

12. The existing Board members have acquired good knowledge of Tyne and Wear Pension Fund, the Local Government Pension Scheme and the pensions world generally. It is desirable that there is some continuity from the existing Board members so that the knowledge acquired can assist the Board, and Tyne and Wear Pension Fund, going forwards.

13. In order for existing members to continue on the Board, this will require:

- The agreement of the individual;
- Nomination from either a participating employer or Trade Union;
- Approval of the Local Pension Board;
- Approval by Pensions Committee; and
- Appointment by full council (see below).

14. Approval of the Board is sought at this meeting to agree the principle of continuation of any existing Board member(s) who wishes to continue and is nominated by their employer or Trade Union. It should, however, be noted that this approval alone does not secure reappointment to the Board and the decision of who is appointed or re-appointed is, ultimately, not a Board decision.

15. Once the new Governance Documents come into force, it will no longer be necessary for the Board or Pensions Committee to approve the continuation of existing Board members. Instead, this will simply be confirmed by full Council.

Nomination process

Member representatives

16. Nominations are sought from the 11 Trade Unions with members in the Fund. This is consistent with the approach taken in 2015 and 2018.

Employer representatives

17. It is the Council's intention to write to all participating employers within Tyne and Wear Pension Fund and to seek nominations for 3 new employer representatives for the Local Pension Board.
18. Whilst there are 4 positions for employer representatives on the Board, 1 of these positions is reserved for a South Tyneside Council Councillor.

South Tyneside Council

19. South Tyneside Council will appoint its Board representative (who is classed as an employer representative) at a meeting of Council in May / June 2021.

Appointment / Re-appointment of Board Members

20. Under the LGPS Regulations 2013, it is for an administering authority to determine the membership of the Board. In guidance issued by the Scheme Advisory Board relating to the membership of Local Pension Boards, the following is noted:

“In light of the fact that the role of the Local Pension Board is to assist the Administering Authority, the Administering Authority will need to carefully consider the establishment of the Local Pension Board and the appointment of its members. It should therefore be a function undertaken by the Administering Authority (for example full council) rather than by the delegated Pension Committee or officer.”

21. Whilst the above quoted guidance relates to the establishment of the Local Pension Board, officers believe the principles extend to the appointment of the new Board members. For this reason, the appointment of the new Local Pension Board members for the period 2021/22 to 2023/24 will need to be approved by full council. This is expected to be at the meeting in either May or June 2021.

Induction Training

22. Given the Fund's continued commitment to training and the requirements of Code of Practice 14, the Fund will offer induction training to any new members appointed to the Board.

Recommendation

23. The Board is recommended to:

- Give its approval to the reappointment of any existing Board member(s) who is so nominated by their employer or Trade Union;
- Note the process that is to be followed for the appointment of Board members for the period 2021/22 to 2023/24.

Reason for Recommendation

24. To allow for the appointments to the Local Pension Board for the period 2021/22 to 2023/24.

Local Pension Board - Appointments for the period 2021/22 to 2023/24

The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

| Background Paper | File Ref: | File Location |
|--|------------------|-------------------------|
| South Tyneside Council Constitution; Governance Statement for the Local Pension Board | N/A | South Shields Town Hall |