


<p>Non-Executive Report of the:</p> <p>Pensions Board</p> <p>18 September 2017</p>	
<p>Report of: Asmat Hussain, Corporate Director, Governance</p>	<p>Classification: Unrestricted</p>
<p>Employer Representative Substitute</p>	

Originating Officer(s)	Matthew Mannion, Committee Services Manager
Wards affected	(All Wards);

Summary

At the meeting of the Pensions Board on 31 July 2017 the Employer Representative on the Board was unable to attend the meeting. On that occasion, as there was no agreed substitute, the Corporate Director, Governance approved a substitution for that meeting.

This report proposes to confirm formal arrangements for substitution for the Employer Representative on the Board for future meetings.

It is proposed that any employed senior officer (ie grade LP07 or above) that is a member of the Resources Directorate Leadership Team, except for the Divisional Director, Finance and Procurement and the Divisional Director HR and Transformation (or any future posts that cover those areas of responsibility) be allowed to substitute for the Employer Representative on the Board.

Recommendations:

The Pensions Board is recommended to:

1. Agree that any employed senior officer (ie grade LP07 or above) that is a member of the Resources Directorate Leadership Team, except for the Divisional Director, Finance and Procurement and the Divisional Director HR and Transformation (or any future posts that cover those areas of responsibility) be allowed to substitute for the Employer Representative on the Board.
2. Agree any proposed substitute from the above recommendation must undergo appropriate training as set out in the terms of reference. Once this training has been undertaken that officer will be listed in the Board Membership as a substitute.

1. REASONS FOR THE DECISIONS

- 1.1 To enable the smooth running of the Pensions Board by ensuring an Employer's Representative is always available to attend meetings. This ensures that the employer's position is represented and also helps avoid meetings becoming inquorate.

2. ALTERNATIVE OPTIONS

- 2.1 To not agree the proposal.

3. DETAILS OF REPORT

- 3.1 At the meeting of the Pensions Board on 31 July 2017 the Employer Representative on the Board was unable to attend the meeting. On that occasion, as there was no agreed substitute, the Corporate Director, Governance approved a substitution for that meeting.
- 3.2 This report proposes to confirm formal arrangements for substitution for the Employer Representative on the Board for future meetings.
- 3.3 It is proposed that any employed officer that is at a senior management grade (ie LP07 or above) and is a member of the Resources Directorate Leadership Team, except for the Divisional Director, Finance and Procurement and the Divisional Director HR and Transformation (or any future posts that cover those areas of responsibility) be allowed to substitute for the Employer Representative on the Board.
- 3.4 The reason for the above proposed exclusions is due to the potential for a conflict of interest for the holders of those posts due to their responsibility for administering the pension fund arrangements.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no specific financial implications arising from this report. However, the effective operation of the Pensions Board is important in monitoring the Council's financial commitments to its Pension Fund.

5. LEGAL COMMENTS

- 5.1 This report is asking the Pensions Board to agree to formal arrangements for substitution for the Employer Representative on the Board for future meetings.
- 5.2 The Terms of Reference for the Pensions Board provides at paragraph 18 in respect of *Employer Representative* that: "Substitutes shall be appointed. Where appointed substitutes should be named and must undertake the same training as full members". The reference to any employed officer with the limits and exclusions set out in the recommendations is appropriate. As stated

in recommendation two above, an officer will be named as a substitute once they have undertaken the appropriate training. This is in keeping with the terms of reference and ensures compliance with the Council's statutory duty of appointing Members to the Board who have the requisite knowledge and understanding to fulfil their duties.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The effective operation of the Pension Fund impacts on previous, current and future employees of the Council and other admitted bodies.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 There is a clear best value advantage in the smooth running of the Pensions Board.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 None specific to this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The smooth running of the Pensions Board supports the mitigation of any risks associated with running the Pension Scheme.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 None specific to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- None.

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None.

Officer contact details for documents: N/A

