



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

COUNCIL

WEDNESDAY, 12 JULY 2023

Report of the Director of Finance

Derbyshire Pension Board - Appointment of Independent Chair

1. Purpose

- 1.1 To seek approval for the appointment of a new Independent Chair for Derbyshire Pension Board (the Pension Board/the Board).

2. Information and Analysis

- 2.1 Council approved the reappointment of Ronald Graham as the Independent Chair of Derbyshire Pension Board at its meeting held on 22 March 2023.

Mr Graham was reappointed following the expiry of his previous term of office and commenced his new four-year fixed term of office on 1 April 2023. Sadly, as noted at the May 2023 Council meeting, Mr Graham passed away following his reappointment.

2.2 Pension Board Background

Pension Boards were introduced in 2015 to assist administering authorities to secure compliance with pension legislation and to ensure the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS). Derbyshire County Council is the administering authority of Derbyshire Pension Fund (Pension Fund/the Fund).

Section 5 of the Public Service Pensions Act 2013 and Regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended by the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015) introduced a requirement for administering authorities of local government pension funds to establish local pension boards as part of an enhanced governance structure for the LGPS.

In April 2015, Council approved the establishment of Derbyshire Pension Board and its inaugural terms of reference. Council has subsequently reviewed the operation of the Board, extended Board terms of membership, approved Board appointments and approved updated terms of reference which are attached as Appendix 2.

The Board has successfully supported the Pensions and Investments Committee in discharging the Council's statutory functions under the LGPS Regulations and associated pension legislation related to the Fund. The Board has also encouraged the administering authority in its drive to adopt best practice in relation to the governance and administration of the Pension Fund.

The Board is made up of two Member Representatives and two Employer Representatives, together with an Independent Chair. The Independent Chair (Chair) must be neither an existing member of the Pension Fund, nor a representative of a Fund employer.

Mr Graham had been the Board's Chair since its establishment in 2015.

- 2.3 A recruitment exercise was undertaken for the position of Chair for the four-year fixed period from 1 April 2023 following the expiry of Mr Graham's term in office.

The position, which has a remuneration package of £10,000 p.a. plus reasonable expenses, was advertised as follows:

- on the Fund's website
- through the County Council's recruitment site
- by the Local Government Association to its LGPS contacts
- via LinkedIn

Four applications were received from eligible candidates. Each candidate was interviewed by the Chair of the Pensions and Investments Committee, the Head of Pension Fund and one of the Fund's Pensions Officers on 1 March 2023.

The candidates were evaluated against their responses to interview questions which explored their knowledge, experience and fit for the role. Mr Graham achieved the highest score and was reappointed.

- 2.4 The Board's Terms of Reference do not include specific provision for replacing a deceased Board member, including the Independent Chair. Given the short period of time that had elapsed since the reappointment of Mr Graham, it was agreed, following discussions with the Council's Legal Services and the Chair of the Pensions and Investments Committee, that the starting point would be to revert to the recent recruitment exercise.
- 2.5 A review of the recruitment exercise for the role of Independent Chair which had been completed in March 2023, identified that the candidate with the second highest score, Mr Neil Calvert, was also considered by the recruitment panel to be an excellent candidate for the role.
- 2.6 Mr Calvert had previously served on the Pension Board as an Employer Representative between 2018 and 2021 until his association with the University of Derby, including as Vice-Chair of its Governing Council, ended.

Mr Calvert's eligibility as a candidate for the position of Independent Chair of the Pension Board is based on his present situation. His previous connections with a participating employer in the Pension Fund and also his previous position on the Pension Board do not affect his eligibility.

- 2.7 Mr Calvert has substantial executive and non-executive experience and is currently the Chief Executive Officer/Principal of the Co-Operative College, an educational charity based in Manchester which focusses on the promotion through learning and support of co-operative values and principles. In 2021, while serving as an Employee Representative on the Pension Board, Mr Calvert qualified as an Accredited Lay Trustee Member of the Pensions Management Institute.
- 2.8 It is proposed that Neil Calvert is appointed as Chair of Derbyshire Pension Board with immediate effect for a term of four years, subject to periodic review.

3. Implications

- 3.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

4. Background Papers

4.1 Background papers held by the Head of Pension Fund:

- Derbyshire Pension Board Independent Chair Role & Person Specification
- Applications for the position of Independent Chair of the Pension Board from the recruitment exercise completed in March 2023

5. Appendices

5.1 Appendix 1 – Implications

5.2 Appendix 2 – Derbyshire Pension Board Terms of Reference

6. Recommendation

That Council:

Approves the appointment of Neil Calvert as Independent Chair of Derbyshire Pension Board for a term of four years with immediate effect.

7. Reasons for Recommendation

- 7.1 To ensure that a new Independent Chair of Derbyshire Pension Board is formally appointed in compliance with its composition as set out in the Board's Terms of Reference.

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Implications

Financial

- 1.1 The cost of the Independent Chair for Derbyshire Pension Board is met by the Pension Fund.

Legal

- 2.1 Regulation 105(2) of the Local Government Pension Scheme Regulations 2013 (as amended) allows an administering authority to delegate any function under those Regulations. An administering authority is also required under Regulation 109 to 'have regard' to guidance issued by the Secretary of State in relation to local pension boards. Under government guidance issued in 2015 when Pension Boards were first established, the administering authority has to consider carefully the establishment of its local pension board and the appointment of its members. The guidance indicates that this should be a function undertaken by the administering authority (i.e. Full Council) rather than delegated to a committee or officers.

Human Resources

- 3.1 None

Information Technology

- 4.1 None

Equalities Impact

- 5.1 None

Corporate objectives and priorities for change

- 6.1 None

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None