

Essex Pension Fund Strategy Board	PSB 06
Date: 11 September 2019	

Essex Pension Fund Advisory Board (PAB) Review

Joint report by the Compliance Manager and the Independent Governance & Administration Advisor (IGAA)

Enquiries to Amanda Crawford on 03330 321763

1. Purpose of the Report

1.1 To provide the Board with an update on the review of the PAB.

2. Recommendation

2.1 The Board should note:

- the update in relation to the PAB Review.

3. Background

- 3.1 During the December PSB meeting, the PSB agreed to review the PAB Membership. At their March meeting, the PSB agreed the timetable below:

Date	Action	Owner
March/April 2019	To establish PAB Members intensions and determine where Members appointments need to be renewed	Fund Officers
April/May 2019	To agree panel to determine and carry out appointment process	Chairman & Fund Officers
May – July 2019	Carry out appointment process and confirm appointments to PAB	Agreed panel

4. Other Scheme Employer Representative

- 4.1 Emails were issued to Other Scheme Employers (all fund employers other than the County, Borough, City, District & Unitary Councils) on 21 June 2019 to announce the vacant position available and to request for nominations by 5 July 2019. The incumbent was also notified.
- 4.2 Only one individual was nominated and therefore the process to elect via email voting was not necessary. The incumbent, James Durrant from Essex Fire, has therefore been re-appointed another 4-year term on the PAB.
- 4.3 Emails announcing this outcome were issued to Other Scheme Employers on 1 August 2019.

5. Scheme Member Representatives

- 5.1 Emails were issued to Scheme Employers on 21 June 2019 to announce the two vacant positions available. The incumbent of one of the positions was also notified.
- 5.2 Advertisements were also published via the ECC intranet site 'Your News' and the Essex Pension Fund website on the news page. In addition, posters were put up on noticeboards around County Hall and Employers were encouraged to do the same.
- 5.3 Four individuals applied for the two positions available. On review of the applications, the Fund's Officers and the Independent Governance &

Administration Advisor (IGAA) advised that all four candidates should be interviewed.

5.4 The interviews were held on 24 July 2019. The panel consisted of, Cllr Susan Barker, PSB & ISC Chairman, Karen McWilliam, IGAA, Jody Evans, Head of Essex Pension Fund and Amanda Crawford, Compliance Manager.

5.5 All candidates were scored using the same criteria covering:

- The role of the Board Member;
- Accountability to stakeholders and beneficiaries;
- Knowledge, skills and training;
- Risk Management;
- Personal Experience;
- Representing Members;
- General;
- Communication;
- Capacity; and
- Conflicts of interest.

5.6 Two out of the Four candidates scored the highest marks against the set criteria and therefore were offered a 4-year appointment on the PAB.

5.7 Letters were issued to the candidates offering the positions available on 1 August 2019. Unsuccessful candidates were also notified of the outcome on this date.

5.8 James Sheehy, Active Member from Witham Town Council and Stuart Roberts, Active Member from Shenfield High School, were offered and subsequently accepted their positions on the PAB and attended their initial training/induction on 23 August 2019.

5.9 The PAB will have their first meeting including the newly appointed membership on 25 September 2019.

6. Independent Chairman

6.1 The review of the Independent Chairman will commence on 30 September 2019.

7. Risk Implications

- 7.1 Without full membership of the PAB, the Fund are in breach of the Public Service Pensions Act 2013 and therefore are at risk of not fulfilling their duties as advisors to the Board.
- 7.2 A complete change in Board Membership would impact on the efficient and effective running of the Board.
- 7.3 Links to Risk Register include:
- Failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage; and
 - A lack of expertise, insufficient knowledge and maintenance of the PSB, ISC and PAB arising out of high turnover and/or changes within the LGPS benefit structure, regulations and associated directives/deliverables.

8. Link to objectives

- 8.1 Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based.
- 8.2 Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise.

9. Communication Implications

- 9.1 Other than ongoing reporting to the Board, there are no communication implications.

10. Finance and Resource Implications

- 10.1 The process will be carried out in the main by Fund Officers but there may be a requirement for advice from the Fund's IGAA.

11. Background Papers

- 11.1 PAB Vacancy paper provided to the PSB at its meeting held on 19 December 2018, agenda item 11.
- 11.2 19 December 2018 PSB Minutes.
- 11.3 Governance Compliance Statement & PAB review paper, PSB 06, 06 March 2019.
- 11.4 3 July 2019 PSB Pack, Agenda item 7.