

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB), held in Committee Room 2 at 2:00pm on 21 September 2022

1. Membership, Apologies and Declarations of Interest

The report of the Membership, Apologies and Declarations of Interest were received.

Membership

Present:

Independent Chairman

Nicola Mark MBE Independent

Employer Representatives

Cllr M Bracken	Chelmsford City Council
James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (via Zoom)

Scheme Member Representatives

Andrew Coburn	UNISON (Vice Chairman)
Debs Hurst	Chelmsford College
Christopher Downes	Essex County Council

In addition, the Essex Pension Fund Strategy Board (PSB) Member, Sandra Child (UNISON), attended the meeting as an Observer.

The following Officers and Advisers were also present in support of the meeting:

Jody Evans	Director for Essex Pension Fund
Samantha Andrews	Investment Manager
Daniel Chessell	Retirement Manager
Amanda Crawford	Compliance Manager
Marcia Wong	Compliance Officer
Debs Hadley	Business Support Administrator (Compliance Team)
Yetunde Akiode	Graduate Finance Trainee (Investments Team)
Karen McWilliam	Independent Governance and Administration Adviser (IGAA) (AON)

It was noted that the meeting would be recorded to assist with the Notes for the meeting.

Apologies for Absence

Apologies were received from Employer Representative, Cllr L Barber, and Scheme Member Representative, Stuart Roberts, who were unable to attend the meeting.

Opening Remarks

The Chairman welcomed Members of the PAB, Officers, Advisers and Observers to the meeting and advised a moment of reflection would be observed to remember Her Majesty Queen Elizabeth II.

The Chairman advised the Board that Fund Officers had been made aware that Cllr Jack Duffin has resigned from his position on the Board and that the Compliance Team were liaising with the Democracy Team at Thurrock Borough Council to ascertain when Cllr Duffin's replacement will be appointed to the Board.

Declarations of Interest

Declarations were received from:

Nicola Mark declared she was in receipt of a LGPS Pension from another Fund;

Andrew Coburn declared he was in receipt of an Essex LGPS Pension;

Cllr M Bracken declared that his sister was in receipt of an Essex LGPS Pension;

Debs Hurst and James Durrant declared they were active Essex LGPS Members; and

Christopher Downes declared he was an active Essex LGPS Member and both parents are in receipt of LGPS Pensions.

Action:

Fund Officers to liaise with Thurrock Borough Council Democracy Team to ascertain when Councillor Duffin's replacement will be appointed to the Board.

Resolved:

The Board noted the content of the report.

2. Notes of the previous meeting held on 06 July 2022.

Notes of the meeting of the PAB held on 06 July 2022 were approved as a correct record and signed by the Chairman.

The following points were raised for noting:

- amendments were made to the PAB Annual Report including Cllr Walsh's term of office dates and page titles from page 41, which was subsequently published on the Fund's website and shared with the Scheme Advisory Board (SAB) on 21 July 2022;
- the ACCESS Joint Committee meeting scheduled for 12 September 2022 has been rescheduled for 06 October 2022 where two PAB Members will attend as part of the Local Pensions Board observer representation;
- the draft PAB Terms of Reference (TOR) incorporating ACCESS Joint Committee observer representation was due to be presented to the PSB at their earlier meeting however it was noted that this item had been pulled from the PSB Agenda Pack at the request of the ECC Monitoring Officer to enable further consideration prior to the October or December 2022 Full Council;
- the PAB Chairman and Employer representative, Cllr Bracken, provided their photographs and quotations for the PAB Pamphlet. The web link and phrase relating to PAB vacancies were added. The revisions were approved by the Task and Finish Group (T&FG) and Review Panel and was subsequently presented to the PSB at their earlier meeting. It was noted that the PSB Chairman congratulated Fund Officers and T&FG for their excellent work and agreed to develop a PSB Pamphlet;
- Fund Officers have embedded reminders to Employers within their Survey process; and
- it was noted that Christopher Downes has registered for the Three-Day Fundamentals Training Course and that both Andrew Coburn and Christopher Downes have registered for the Annual Governance Conference in January 2023 via online webinar.

Resolved:

The Board noted the updates provided.

3. Essex Pension Fund Strategy Board (PSB) Update

The Board received a presentation from the Director for Essex Pension Fund on the outcome of that morning's PSB meeting. The main areas of discussion were in relation to the following:

- Actuarial Valuation Update

The Board was provided with a summary of the presentation the PSB received from the Fund Actuary, Graeme Muir, from Barnett Waddingham in regard to the results from the 2022 Actuarial Triennial Valuation. The results and next steps were noted by the Board.

- Draft Funding Strategy Statement (FSS)

The Board noted that the Fund would be utilising the Out of Committee Stage 3 decision-making process to ensure the FSS is reviewed by the PSB, issued for consultation and ready for publication by end March 2023.

- Update on Pension Fund Activity: Quarterly Update Report

Progress against the Fund's Business Plan, Budget, Scorecard and Risk Register were provided showing that out of forty-six priorities, two were completed, thirty-five were in progress, one had been marked as not applicable for the year as a result of the PLSA Responsible Investment Quality Mark (RIQM) consultation on hold and the remaining eight were not yet due to start. The Chairman congratulated Fund Officers for the production and distribution of the LGPS Annual Benefit Statements by the statutory deadline of 31 August 2022.

An underspend of 3.5% has been forecast against the budget however it was noted that this is likely to change over the course of the year.

The one red Scorecard Measure relating to the Fund's External Audit by BDO was due to the County Council's financial statements not being signed off and therefore the Fund's financial statements were also yet to be signed off. The remaining ambers and movements were also discussed.

The movements and exceptions within the Risk Register were also discussed noting the movement from yellow to amber in regard to Risk A3, Data Management, as a result of the pending review of ECC and the Fund's Bank Account. In addition, one new Risk (G17) had been added in regard to the sign off of the Fund's Accounts which has been acknowledged as a Corporate Risk and therefore would be raised to the Section 151 Officer within the Corporate Risk Register.

As part of the Annual Review process, the full Scorecard and Risk Register were provided for review by the PSB and it was agreed that these be passed onto the PAB for noting.

- The Role of the PAB

The Board noted the approval of the PAB Pamphlet by the PSB for PAB recruitment campaigns. In addition, the Board were pleased that the PSB agreed to develop a PSB Pamphlet to assist their recruitment and to inform elected Members of the expectations when appointed to the PSB.

- Fund Surveys

The Board acknowledged the update provided to the PSB in regard to the Fund Surveys which had been presented to them at their 06 July 2022 meeting as part of the PAB Annual Workplan. It was noted that the Back to Basics Training Day would include a section on Fund Surveys.

In addition, discussions took place in regard to the Fund's Opt Outs and 50/50 option and how these were communicated to Scheme Members with a possibility for further Opt Outs and 50/50 applications due to the financial status of the Country. Fund Officers confirmed that this is being investigated.

- PAB Scheme Member and Employer Representation

The Board were pleased to note that James Durrant, Employer representative, had been offered a two-year extension to his Term of Appointment enabling him to continue in his role on the Board until July 2025.

However, Board Members were saddened to hear that Scheme Member representative, Stuart Roberts, would not be able to continue in his role after July 2023. Therefore, the PSB approved the timetable for the recruitment of this position which was noted by the Board.

In addition, the Board noted the resignation of Cllr Jack Duffin from his position on the Board and that the Compliance Team were liaising with the Democracy Team at Thurrock Borough Council to establish his replacement on the PAB. The Chairman asked for a letter of thanks to be issued to Cllr Duffin for his service on the Board.

- Urgent Part 1 Business: Financial Reporting Council (FRC) 2020 UK Stewardship Code

The Chairman congratulated Fund Officers and the Investment Steering Committee on being successful with their submission to becoming a signatory of the FRC 2020 UK Stewardship Code. It was acknowledged that this is a great achievement being their first application and that the Director for Essex Pension Fund will ensure this achievement is communicated to Stakeholders.

Other areas of business included:

- as previously acknowledged, the Fund's TOR being pulled from the Agenda Pack at the request of the ECC Monitoring Officer to allow for further consideration;
- the Fund's Draft Statement of Accounts for 2021/22 were presented to the Audit, Governance and Standards Committee (AGSC) on 25 July

2022. It was also noted that the status for the 2021/22 External Audit is ongoing despite the Planning Report not yet being presented to the AGSC;

- the status of the 2020/21 Pension Fund Accounts which remained unchanged with BDO still not in a position to present their final reports to the AGSC for sign off;
- the work undertaken by the PAB at their 06 July 2022 meeting; and
- the verbal update and presentation from the Employer Manager in regard to the Employer Risk Analysis noting the changes since the last meeting.

Action:

Fund Officers to:

- include a section on Fund Surveys at the Back to Basics Training Day;
- continue investigation on Opt Outs and 50/50 options; and
- issue a letter of thanks to Cllr Duffin for his service on the Board.

Resolved:

The Board noted the papers reviewed by the PSB.

4. Essex Pension Fund Advisory Board (PAB) Annual Workplan

The Compliance Manager provided the Board with a progress report against the PAB Annual Workplan. Of the five tasks listed, two have been completed and were approved by the PSB at their meeting earlier on today.

The Communications Policy is in progress with a target date of 31 December 2022 and has been provided at Agenda Item 4a for the Board to review.

The two remaining tasks were not yet due to start as the final outcome of both The Pensions Regulator Single Code and the SAB Good Governance Project were yet to be published.

Resolved:

The Board noted the content of the progress report.

4a. Essex Pension Fund Communications Policy

The Board received a report from the Compliance Manager providing an overview of the changes made to the Essex Pension Fund Communications Policy since it was approved in March 2020. After viewing the six-minute Training Video today, the Board were invited to discuss and provide feedback on both the Training Video and Policy.

The Board's feedback included:

- Deferred Benefits and Internal Dispute Resolution Procedure (IDRP) within the training video be explained;

- subtitles be reviewed within the training video as a few were incorrect;
- to add a General Enquiries telephone number on the last page of the Policy;
- to add 'consultations' to the Policy including those the Fund respond to and those the Fund consult on;
- to review the 'key messages' section in totality; and
- the use of the Fund's website was discussed and it was noted that an area of activity within the Fund's Business Plan was "exploration of a new website".

Action:

Fund Officers to:

- review the Communications Policy Training Video to explain deferred benefits and IDRP;
- to check and amend subtitles, where applicable, within the Training Video;
- to add a General Enquiries Telephone number on the last page of the Communications Policy;
- to add 'consultations' to the Policy including those the Fund respond to and those the Fund consult on;
- to review the 'key messages' section in totality.

Resolved:

The Board provided feedback for amendments to the Essex Pension Fund Communications Policy and Training Video. It was confirmed that Fund Officers would review based on the feedback provided and would submit a revised Policy and Training Video to the PSB at their next meeting for approval.

5. Feedback from the ACCESS Joint Committee Meeting

The Chairman explained that the ACCESS Joint Committee Meeting scheduled for 12 September 2022 was postponed due to the sad news of the passing of Her Majesty Queen Elizabeth II, and would now take place on 06 October 2022. It was confirmed that feedback from this meeting would be provided to the Board at their next meeting on 07 December 2022.

It was also highlighted that those attending the ACCESS Joint Committee meeting as a Local Pensions Board (LPB) observer representatives are observing on behalf of their LPB and not their Employer or other organisation who appointed them to the Board. Therefore, feedback should only be provided to LPB Members.

In addition, the Chairman requested for Fund Officers to develop a protocol for Essex LPB (PAB) observers if there was not one available from the ACCESS Joint Committee secretariat.

Action:

Fund Officers to provide a protocol for Essex LPB (PAB) representatives when observing ACCESS Joint Committee meetings.

Resolved:

The Board noted the update.

6. Papers provided to Essex Pension Fund Advisory Board (PAB)

The Board received a report from the Compliance Manager which listed all the communications which had been issued to the Board since their last meeting. Key papers were highlighted for the Boards attention noting Group Training Plans were emailed on 09 September 2022 with Individual Training Plans distributed at this meeting.

Resolved:

The Board noted the content of the report.

7. Schedule of Future Meetings and Events

The Compliance Manager reminded the Board of upcoming events noting that the in-house Back to Basics Training Day has been scheduled for the morning of 18 January 2023.

The Board were reminded of the PAB meeting dates for the remainder of the Municipal Year, being:

Essex Pension Fund Advisory Board

Wednesday 07 December 2022

2pm – 4pm

Wednesday 22 March 2023

2pm – 4pm

PAB Members were also reminded that the PSB Meetings would be held on the same day with a start time of 10am.

Resolved:

The Board noted the content of the report.

8. Any Other Business

There was none.

9. Closing Remarks

There being no further business the meeting closed at 3:43pm.

Chairman
07 December 2022