

**Minutes of a meeting of the Essex Pension Strategy Board held at 2.00 pm
at County Hall, Chelmsford on 13 July 2016**

Present:

Member

Essex County Council

Cllr R Bass (Chairman)

Cllr S Barker

Cllr S Canning

Cllr K Clempner

Cllr N Hume

Cllr N LeGresley

Cllr J Whitehouse

Also in attendance

Cllr K Bobbin

District/Borough Councils in Essex

Cllr C Riley

Unitary Councils

Scheme Members

S Child

**Smaller Employing
Bodies**

J Moore

Also in attendance were the following Members of the Pension Advisory Board:

Keith Flowers

Paul Hewitt

Cllr Simon Walsh

The following officers and advisers were also present in support:

Jody Evans

Kevin McDonald

Ian Colvin

David Tucker

Ian Myers

Samantha Andrews

Sara Maxey

Peter Tanton

Mark Stevens

Mark Norquay

Matt Mott

Sophie Campion

Dan Cooke

Head of Essex Pension Fund

Director for Essex Pension Fund

Independent Governance and Administration Adviser
(Hymans Robertson LLP)

Employer Liaison Manager

Secretary to the Board

Investment Manager

Employer Relationship Manager

Head of Internal Audit and Counter Fraud

Independent Investment Advisor

Barnett Waddingham

Communications Manager

Committee Officer

E Y

1. Apologies for Absence

It was noted that Nicola Mark (Independent Chairman of the Pension Advisory Board) was unable to observe the meeting

2. Declarations of Interest

The Chairman requested Members declare any interests as appropriate.
Cllr Colin Riley declared he was in receipt of an Essex LGPS pension.

3. Reminder of schedule of meetings for remainder of municipal year

The schedule of meetings were noted.

4. Minutes**Resolved:**

That the minutes of the Essex Pension Fund Board held on 16 March 2016 be approved as a correct record and signed by the Chairman subject to the inclusion of Cllr Colin Riley having declared he was in receipt of an Essex LGPS pension.

5. Local Government Pension scheme Reform - Pooling

Members received report EPB/07/16 and presentation from the Director for Essex Pension Fund which presented an outline of the draft July submission to Government of the ACCESS pool.

Members noted and were informed in particular:

- That the July submission was a key reporting stage that complies with the Government's deadline. criteria .
- The criteria for size and scale of the pool have been met.
- Meetings of ACCESS Chairmen and an operating group of officers take place on a regular basis
- The development of a Collective Investment Vehicle (CIV) is being pursued and consideration of rent versus build options will continue over the summer.
- The timetable of the transition of assets into the pool was noted.
- The estimated set up, transition and ongoing costs were also noted.

The Chairman concluded that work to monitor the impact of pooling arrangements on Essex is ongoing and that it was unlikely he would be able to present a recommendation to Council until December 2016

Resolved:

That the Board agreed to be a signatory in the July submission.

6. Actuarial Valuation

Members received report EPB/08/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund which:

- Updated the Board on the 2015/16 year-end data submissions exercise.
- Informed the Board of plans for the 2016 triennial valuation of the Fund.
- Informed the Board of national and local developments concerning the treatment of Academies within the LGPS

Resolved:

That the report be noted.

7. 7a Report from the Pension Advisory Board

Members received report EPB/09/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund and also received a verbal update on the Board activity.

Resolved:

That the report be noted.

7b Governance Policy and Compliance Statement

Members received report EPB/10/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund which provided an update on the PAB review of the Fund's Governance Policy and Compliance Statement and in particular the claiming of travel and subsistence allowances.

It was agreed that an amendment to the policy was required and would be finalised with Officers and agreed by the Chairman after the meeting.

Resolved:

That the report be noted and the revised Governance and Compliance Statement agreed in line with authorisation from the Chairman.

7c Communications Policy

Members received report EPB/11/16 from the Communications Manager which provided an update on the PAB review of the Fund's Communication Policy with no suggested changes being requested.

Resolved:

That the report be noted and the Communications Policy be published.

8. Update on Pension Fund Activity

Members received report EPB/12/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund which provided an update on the 2016/17 Business Plan, three year Business Plan, Risk Management and Scorecard.

Members were appraised of the objectives, the risks and progress against made against the objectives, noting in particular any areas of concern.

Resolved:

That the report be noted.

9. Investment Steering Committee (ISC) Quarterly Report

Members received report EPB/13/16 from the Director for Essex Pension Fund noting in particular:

- A post Brexit briefing note has been sent to all Members
- Investments are long term
- The fund does not need to sell assets to pay benefits
- Fund assets were approximately £5.3bn

Resolved:

That the report be noted.

10. External Audit programme of work and fees

Members received report EPB/14/16 from Andrew Crewer, partner Ernst & Young LLP, and verbal update from Dan Cooke, assistant manager EY, which outlined the External Audit Plan in relation to the 2015/16 financial statements of the Essex Pension Fund.

Members were informed the report had previously been received by the Audit Committee.

Resolved:

That the report be noted.

11. Internal Audit annual report of pension fund reviews

Members received report EPB/15/16 from Peter Tanton, Head of Internal Audit, which provided a summary of Internal Audit's 2015/16 activity in relation to the pension fund and proposals for 2016/17.

Members noted in particular that two reviews had taken place in line with the agreed Audit plan, both of which received a 'good assurance' opinion.

Resolved:

That the report be noted.

12. Draft Pension Fund Accounts

Members received report EPB/16/16 from the Executive Director for Corporate and Customer Services which provided Members with the draft Pension Fund financial statements for 2015/16 and advised on the content and timescale for the production of the Pension Fund Annual Report.

Resolved:

That the report be noted.

13. Essex Pension Fund Board – Annual Report

Members received report EPB/17/16 from the Secretary to the Board on the Board's 2014/15 Annual Report which was considered by the Council on 12 July 2016. No issues or comments were raised at Council. It was noted that a report on asset pooling was expected to be taken to the December Council meeting.

Resolved:

That the report be noted.

14. Annual Review of Member Attendance

Members received report EPB/18/16 from the Secretary to the Board which detailed Members' attendance at Board meetings for the period 1 July 2015 to 30 June 2016.

Members agreed that clarification be sought by the Secretary to the Board from Southend Borough Council regarding re- nomination.

Resolved:

That the report be noted.

15. Date of Next Meeting

Members noted the next meeting of the Board would be held at 2.00pm on Thursday 15 September 2016.

16. Urgent Business

There was no urgent business

17. Exclusion of the Press and Public**Resolved:**

That, having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following item of business

on the grounds that they involved the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

18. Cessation Payment Plan

(Exempt under paragraph 3 – information relating to the financial business affairs of a particular person)

Members received report EPB/19/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund.

Resolved:

That the report be noted.

19. Year End Returns

(Exempt under paragraph 3 – information relating to the financial business affairs of a particular person)

Members received report EPB/20/16 from the Director for Essex Pension Fund and Head of Essex Pension Fund detailing employers who had not returned their end of year data by the required deadline. The Board instructed officers to apply the policy and implement relevant charges. An updated draft policy will be brought to the board for its December meeting.

Resolved:

That the report be noted.

There being no further business, the meeting closed at 3.20pm.

Chairman