

Essex Pension Fund Strategy Board	PSB 09
Date: 6 March 2019	

Pension Advisory Board (PAB) Quarterly Report

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

1. Purpose of the Report

1.1 To provide an update on PAB activity since the last Board meeting.

2. Recommendations

2.1 That the Board should note the report.

3. Background

3.1 The Essex Pension Fund Advisory Board (PAB) was established as the Local Pension Board for Essex in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013.

3.2 Since the Board's last meeting the PAB has met once on 5 February 2019.

4. Report of the meeting of PAB on 5 February 2019

4.1 The Board received report PAB 03 from the Director for Essex Pension Fund in relation to the PAB vacancy. The Board were notified that the PSB decided at their meeting in December 2018 to review the PAB Membership as a whole rather than set up a recruitment exercise for one vacancy.

4.2 The Board therefore agreed:

- that the Director for Essex Pension Fund would reach out to PAB Members to establish their views on their own intentions, the current structure and framework;
- the reciprocal chairing arrangements with Norfolk would be reviewed;
- PAB members would feed in their comments on the PAB review to the Chairman to allow onward transmission to the PSB; and
- the IGAA would consider timing of appointments and life-cycle to ensure continuity.

4.3 The Board received a report, PAB 04, and presentation from the Head of Essex Pension Fund in relation to the appointment of the Independent Governance and Administration Advisor (IGAA).

4.4 The Board received a report, PAB 05, and presentation from the Director for Essex Pension Fund in relation to the Risk Review. They were notified that with the addition of the new IGAA, the Fund had decided to delay the issuing of the review so the IGAA could provide their comments for consideration by the Fund. The revised risks would then be submitted to the Boards. The Board was notified that the full revised risk register would be provided to the PSB at their March 2019 meeting and would be included in the June 2019 PAB meeting.

- 4.5 The Board received report PAB 06 from the Technical Hub Manager which provided details of the consultation undertaken with the Fund's Employers in relation to the draft revised Administration Strategy. The Board noted the revised Administration Strategy and that it was published week commencing 14 January 2019.
- 4.6 The Board received report PAB 07 from the Technical Hub Manager which explained that the policy had worked well again for 2017/18 and that it was felt no changes were necessary at this time. The Board asked if it was possible to produce some data showing trends to identify, for example, if there are any sectors struggling. The Head of Essex Pension Fund agreed to analyse the two-year data held to identify any trends and report back to the Board at a future meeting.
- 4.7 The Board received report PAB 08 from the Technical Hub Manager which provided the Board with the Fund's response to the Ministry of Housing, Communities and Local Government (MHCLG) consultation in relation to technical amendments to benefits.
- 4.8 The Board received an additional report PAB 08a in relation to a written statement from The Treasury notifying Fund's of the recent judgements on the McCloud and Sargeant cases on the valuation. As a result of this announcement, the cost cap rectification process for the Firefighter Pension Scheme would be suspended, pending the outcome to the Government's appeal. The Board noted that the review of Cost Cap had been paused.
- 4.9 The Board received report PAB 09 from the Technical Hub Manager bringing their attention to a consultation by MHCLG on the introduction of the Government's New Fair Deal principles into the LGPS. The Board was notified that the Fund would provide their proposed response to the PSB at their March 2019 meeting.
- 4.10 The Board received report PAB 10 from the Director for Essex Pension Fund in relation to the latest Investment Steering Committee (ISC) meeting which saw the moving of assets into the ACCESS pools sub-fund as part of tranche 1.
- 4.11 The Board received a report, PAB 11, and presentation from the Head of Essex Pension Fund in relation to the GMP Reconciliation project and were notified of a further potential project in relation to GMP Equalisation.

- 4.12 The Board received report PAB 12 in relation to the National Confidence Survey where the Chairman notified the Board of the Fund's results.
- 4.13 The Director for Essex Pension Fund also notified the Board that the 'informal' consultation in relation to the MHCLG Statutory Guidance on Pooling. The Board were notified that the consultation is taking place over a 12-week period with the deadline of 28 March 2019. The Chairman asked for PAB Members to feed in any comments to her to enable a collective Board response to be prepared.
- 4.14 The Chairman notified the Board that she would like to see the following items on the agenda for the next meeting:
- LGPS Good Governance Review;
 - Exit Payments i.e. if there are any consequences to paying surplus payments to exiting contractors; and
 - Consideration of the SAB survey on Pension Boards (if available).
- 4.15 In addition, the Board discussed BBC Essex's coverage of aspects of the Fund's Investment Strategy. It was highlighted that in circumstances of this nature the protocol was that the ISC Chairman would release a statement to the media. Officers undertook to circulate the ISC Chairman's statement to the Board.

5. Link to Essex Pension Fund Objectives

- 5.1 Compliance with the Fund's governance arrangements.

6. Background Papers

- 6.1 PAB agenda and minutes of 05 February 2019 meeting.