

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB), held in Committee Room 2 at 2:00pm on 06 July 2022

1. Networking Session

It was agreed at the PAB meeting held 18 March 2022, that with the 06 July 2022 being the first meeting of the municipal year, PAB Members would attend in person to enable Board Members to network for the first 30 minutes of the meeting.

The Chairman thanked PAB Members and suggested this activity take place at least once a year.

2. 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 Representative

James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority
Cllr L Barber	Essex County Council (via Zoom)
Cllr M Bracken	Chelmsford City Council (via Zoom)
	Left at 15.28

Scheme Member Representatives

Andrew Coburn	UNISON
Stuart Roberts	Shenfield High Academy
Debs Hurst	Chelmsford College
Christopher Downes	Essex County Council

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

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

Jody Evans	Director for Essex Pension Fund
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Samantha Andrews	Investment Manager
Sara Maxey	Employer Manager
Daniel Chessell	Retirement Manager
Amanda Crawford	Compliance Manager
Marcia Wong	Compliance Officer
Peter Herring	Graduate Finance Trainee (Observer)
Oliver Murray	Senior Pension Consultant (Observer via Zoom)

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

Apologies for Absence

There were none.

Employer Representative, Cllr J Duffin, was absent from the meeting. In addition, the Chairman informed the Board that the Independent Governance and Administration Adviser (Aon) would not be attending the meeting.

Opening Remarks

The Chairman welcomed Members of the PAB, Officers and Observers to the meeting.

2. 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, James Durrant and Stuart Roberts declared they were active Essex LGPS Members; and

Christopher Downes declared he was an active member of the LGPS and both parents were in receipt of LGPS pensions.

Resolved:

The Board noted the content of the report.

3. Essex Pension Fund Advisory Board Appointment of Vice Chairman

The Chairman invited Committee Members to make nominations for the appointment of the Vice Chairman. One nomination was received and then seconded, following a show of hands, Andrew Coburn was re-appointed as Vice Chairman of the PAB.

Resolved:

Andrew Coburn be re-appointed as the Vice Chairman of the PAB for this municipal year.

4. Notes of the previous meeting held on 18 March 2022

Notes of the meeting of the PAB held on 18 March 2022 were approved as a correct record and signed by the Chairman.

The following points were raised for noting:

- PAB Members were issued with an invitation on 23 March 2022 to attend the 29 March 2022 Pre-Valuation webinar. The Compliance Team were advised that Andrew Coburn attended this training;
- the Compliance Team emailed PAB Members on 30 March 2022 asking for volunteers for the Task and Finish Group (T&FG) to review the "Role of the PAB" area of activity within the PAB Annual Workplan;
- a draft PAB Pamphlet has been developed by the T&FG for review by the PAB as part of agenda item 8a;
- PAB Members were emailed on 30 March 2022 to remind them of today's Networking Session and that face-to-face attendance would be required;
- Christopher Downes received his Individual Training Plan having completed his Training Needs Analysis questionnaire and his One-to-One meeting with Fund Officers; and
- PAB Members were provided with the CIPFA Annual Training Day Agenda on 20 April for consideration which was attended by James Durrant on 18 May 2022. In addition, an Agenda for a similar event hosted by Barnett Waddingham was issued on 03 May and this was attended by Christopher Downes on 22 June 2022. Both PAB Members expressed the events were worthwhile for PAB Members to attend.

Resolved:

The Board noted the updates provided.

5. Essex Pension Fund Advisory Board (PAB) Terms of Reference

The Compliance Manager advised the Board that PAB Members were invited to attend Governance Training sessions on 14 June, 01 July and 05 July 2022 in order to note the PAB Terms of Reference (TOR).

PAB Members were advised that after the review of the Board's TOR by Fund Officers, it was recommended that no changes were required at this present time and the TOR as set out in Appendix A of the report, be noted.

Resolved:

The Board noted the TOR as set out in Appendix A of the report.

6. Essex Pension Fund Advisory Board Annual Report

The Board were presented with the 2021/22 PAB Annual Report detailing the work undertaken by the PAB for the previous year and that the Independent Chairman, Nicola Mark and the Vice Chairman, Andrew Coburn had approved the Report in June 2022.

PAB Members were advised that the Report required an amendment in regard to Cllr S Walsh's cessation date being 06 May 2021. In addition, it was noted that the headings from page 41 should read 2021/22.

It was further explained that once these changes had been made, the Report would be included within the Fund's Annual Report & Accounts and be forwarded to the Local Government Pension Scheme Advisory Board (SAB).

PAB Members requested if Officers could enquire as to what analysis SAB undertakes with the Annual Reports they receive from Local Pensions Boards as no feedback has ever been received.

Action:

Fund Officers to amend Cllr Walsh's leaving date to 06 May 2021 and amend headings from page 41 to read 2021/22.

Fund Officers to enquire with the SAB as to the analysis undertaken on Local Pensions Boards Annual Reports and if the results are published or made available.

Resolved:

The Board noted the content of the PAB Annual Report for onward transition to the SAB and acknowledged it be published within the Fund's Annual Report & Accounts.

7. 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:

- Update on Pension Fund Activity: Quarterly Update Report

Progress against the Fund's Business Plan, Scorecard and Risk Register was provided showing that out of the forty-six priorities, one was completed, thirty were in progress and the remaining fifteen were not yet due to start.

The red Scorecard Measure in relation to PAB attendance was discussed noting that today's meeting would surpass the 80% target achieving 89% with only one PAB Member absent. However, it was noted that 100% was anticipated for this meeting.

It was noted that a full annual review of the Fund's Risk Register had been carried out by Fund Officers in consultation with ECC's Risk Advisor resulting in eight movements.

- Update on Essex Pension Fund Draft Accounts 2021/22 and External Audit

The Board echoed the comments made by the PSB with the continuing disappointing status of the 2020/21 External Audit with BDO still not in a position to sign off the Essex County Council (ECC) Accounts and as a consequence, the Pension Fund Accounts.

The timetable for this year's external audit was highlighted and the impact of the lateness of this year's audit were discussed in particular around the Triennial Valuation.

- Pooling Update

PAB Members discussed the PSB's in principle decision to implement Option 1 as detailed below of the Local Pensions Board (LPB) Observer attendance at the ACCESS Joint Committee (AJC) meetings.

Option 1

One Scheme Employer and one Scheme Member representative (whoever is available at the time) with the final decision agreed jointly by the PAB Independent Chairman and Director for Essex Pension Fund with the default substitute being the PAB Independent Chairman should a Scheme Employer and/or Scheme Member Representative not be available to attend the AJC.

Informal arrangements were also discussed to facilitate LPB representation at the September AJC. It was explained that local and ACCESS wide governance hurdles would need to be overcome in regard to all ACCESS Administering Authorities agreeing to the revised Inter-Authority Agreement and ECC Full Council the revised PAB TOR to facilitate this.

Members were reminded that PAB member attendance would be solely undertaken based on their role as a PAB Member and in their capacity as an Essex Pension Fund representative.

Subject to an informal arrangement taking effect it was agreed that the Compliance Team email all PAB members requesting expressions of interest in regard to representing Essex at the upcoming AJC meeting due to be held on 12 September 2022.

Other areas of business included:

- the Chairman and Vice Chairman arrangements for the Essex Pension Fund with: Cllr Susan Barker re-appointed as the Investment Steering Committee (ISC) and PSB Chairman as agreed at Full Council on 10 May 2022; Cllr Mark Platt being re-appointed as the ISC and PSB Vice Chairman as agreed at the 15 June 2022 ISC meeting; and Cllr Susan Barker to act as the Fund's representative on the AJC with Cllr Mark Platt deputising in her absence;
- the PSB TOR which was noted by PSB Members following the Governance Training held on various dates prior to the meeting;
- the PSB's 2021/22 Annual Report to ECC which was approved by the Chairman and Vice Chairman of the PSB and would be presented to ECC Full Council on 12 July 2022;
- the "Good Assurance" classifications received for both 2021/22 Internal Pension Fund Audit Reports marking this achievement for over a decade and noting that this was the fourth consecutive year with no recommendations made;
- the work undertaken by the ISC at their 15 June 2022 meeting;
- the work undertaken by the PAB at their 18 March 2022 meeting;
- the PAB Annual Report noting that this had been covered at the previous agenda item 6 of the PAB agenda pack;
- a training presentation from the Fund Actuary, Graeme Muir in regard to the 2022 Actuarial Triennial Valuation was noted with key issues identified for the LGPS as: Section 13; McCloud; Climate Change; and Covid-19;
- an update in regard to the PSB/ISC Training Plan showing the progress to date followed by the PAB's progress against their Training Plan;
- an update in regard to Employer Exit payments and the quarterly Employer Risk Analysis which showed six improvements, two slight declines and two Employers declining to a high-risk score; and
- an update in regard to the Multi Academy Trust (MAT) Liability Transfer was provided. It was explained that the PSB had previously agreed in March 2019 to allow a transfer of liabilities from Buckinghamshire Pension Fund to the Fund under certain stipulations which amongst these included a bond be in place in order for the Fund to proceed. It was explained that the Fund was contacted by the Education and Skills Funding Agency (ESFA) in June 2022 requesting that this stipulation

be removed, stating that no bond was now required as the Government Academies Guarantee would act as guarantor. The PSB accepted this and agreed to the revised proposal.

Action:

Subject to informal arrangements being made Members to notify the Compliance Team if they wish to be considered to be the Fund's representative at the AJC on 12 September 2022.

Fund Officers to liaise with the ACCESS Support Unit as to the draft TOR for ACCESS LPB Members attending the AJC.

Resolved:

The Board noted the papers reviewed by the PSB.

8. PAB Annual Workplan

The Compliance Manager presented a progress report in regard to the PAB Annual Workplan. It was explained that the first three items were on schedule to be completed by 31 March 2023 with the remaining two waiting on further guidance from the SAB and the release of The Pensions Regulator new Code of Practice before any work could commence. However, these were not due to be completed this year but over the next three years.

Resolved:

The Board noted the content of the progress report.

8a. PAB Pamphlet

The Board were presented with an update of the work achieved to date by the T&FG in regard to the development of the PAB Pamphlet which related to "The Role of PAB" area of activity within the PAB Annual Workplan.

PAB Members were reminded that at the 18 March 2022 a T&FG was agreed to be formed and following requests for volunteers the Membership was agreed as: James Durrant, Employer Representative; along with Debs Hurst and Christopher Downes, Scheme Member Representatives.

In addition, it was also agreed that a Review Panel be set up consisting of: Nicola Mark, PAB Independent Chairman; Andrew Coburn, PAB Vice Chairman; Karen McWilliam, IGAA; and Daniel Chessell, Essex Pension Fund Retirements Manager to review the progress of the T&FG between meetings.

The Board reviewed the PAB Pamphlet both as a hard copy and an online format. It was explained that this was a starting point for the Pamphlet, and it is hoped that it would develop and grow over time. Developments would include an interactive digital version of the Pamphlet where the reader could click on a PAB Member's picture, and it would take them to a video of the PAB

Member describing their time on the Board. In addition, with the Fund's digitalisation ambition, a new website was being investigated which may open up further avenues for the Fund to explore.

It was agreed that when a recruitment arises, discussions should be held on how best to get the Pamphlet in the public domain.

The Director for Essex Pension Fund suggested that on the last page to get a holistic view the Board may wish to consider an Elected Member of the Board's commentary, so their viewpoint is also captured.

The Chairman thanked the T&FG for their contributions concluding that this was an excellent piece of work. It was also suggested that a website link and short sentence be added to the Pamphlet to state: *"Vacancies to the PAB occur from time to time and details can be found via the website"*.

Action:

Compliance Manager to invite PAB Elected Members to volunteer to provide a photograph and a short synopsis of their experience of being a PAB Member.

Debs Hurst to arrange to make a video of her comments and send to the Compliance Manager.

The Compliance Manager to add a web link and sentence to direct the reader to where more information regarding vacancies on the PAB can be found.

For a further meeting of the T&FG to be arranged to discuss the revised Pamphlet.

Resolved:

The Board noted the content of the report.

8b. Fund Surveys

The Retirements Manager provided the Board with an update in regard to the Fund's Surveys.

PAB Members were reminded of the T&FG that was set up during 2020 to review the Fund's surveys which consisted of: one PSB Member; three PAB Members; the IGAA; and the Retirements Manager.

It was explained that the outcome of the review was to create short thematic surveys which targeted Scheme Members and Employers at the time their interaction with the Fund was made.

The Board were informed that since the new survey process has been in place (from 01 April 2021), the response rate for Scheme Members and

Scheme Employers had increased by 3% and 27% respectively compared to previous year.

The Board were informed that the increase in responses could be attributable to the surveys being short with few questions, it taking a matter of moments to complete, and directing the questions specifically on their personal experience of the service that they had received from the Fund.

Overall, the positive feedback from Scheme Members was 94% and Scheme Employers 99%.

The Board welcomed the findings and suggested that in certain circumstances that a reminder to Employers could be issued if the Fund had not received a response.

Action:

Fund Officers to issue in certain circumstances reminders to Scheme Employers and/or specifically highlight the survey if it is included within normal business as usual correspondence.

Resolved:

The Board noted the presentation.

9. 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.

Resolved:

The Board noted the content of the report.

10. Schedule of Future Meetings and Events

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

Essex Pension Fund Advisory Board

Wednesday 21 September 2022	2pm – 4pm
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.

In addition, the Board were made aware of the upcoming Fundamentals Training Programme for 2022 which would be held over three days over a three-month period. PAB Members were also notified that the Annual

Governance Conference had been advertised but the Agenda was yet to be issued and would be provided to the Board for consideration if the items were deemed as relevant for PAB Members to undertake.

Action:

Members to notify Compliance Manager if they wish to attend the Fundamentals Training Event.

The Compliance Manager to review the Annual Governance Conference Agenda when available, and if relevant to the work of the PAB forward on to PAB Members.

Resolved:

The Board noted the content of the report.

11. Any Other Business

A discussion regarding PAB Members attendance at meetings took place in regard to face to face or virtual attendance. The PAB Chairman confirmed she would be attending in person at each meeting. The Director for Essex Pension Fund advised the Board that a Hybrid solution will be adopted so that those who wish to attend the meeting face to face or virtually via Zoom can do so. The exception being the Annual Networking session which will take place each July where PAB Members will be encouraged to attend in person.

It was also confirmed that Members wishing to observe the PSB could do so face to face or virtually via Zoom.

Action:

Members to notify the Compliance Manager in advance of each meeting to confirm their attendance face to face or virtually via Zoom so that appropriate arrangements can be made.

Resolved:

The Board noted the update.

12. Closing Remarks

There being no further business the meeting closed at 4.18pm.

Chairman
21 September 2022