

Essex Pension Fund Strategy Board	EPB/24/16
date: 15 September 2016	

Review of Pension Advisory Board

Report by the Head of Essex Pension Fund and the Independent Governance & Administration Adviser

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1. Purpose of the Report

- 1.1 To highlight for the PSB the timescales for the review of the Pension Advisory Board (PAB) required under the PAB's Terms of Reference.

2. Recommendations

- 2.1 That the timescales outlined in paragraph 4.1 be noted.

3. Background

3.1 In accordance with the requirements of the Public Service Pension Act 2013 and revised LGPS Regulations, at its February 2015 meeting Essex County Council established the Essex Pension Fund Advisory Board as its Local Pension Board.

3.2 Section 6 of the PAB's Terms of Reference is set out below:

The Board will undertake an annual review process to assess its performance with a view to seeking continuous improvement in the Board's performance. The first review will take place no later than 1 October 2016.

The Board will commence a review of its efficacy after the first 18 months to determine whether it is meeting the needs of EPF's stakeholders and in time for any changes to be made in May 2017.

3.3 The IGAA will outline proposals for the effectiveness reviews.

4. Timescale

4.1 The timescale for the PAB review is set out below:

Meeting Dates	Board	Action to be taken
15 Sept 2016	PSB	For information
21 Sept 2016	PAB	Initial consideration
13 Dec 2016	PSB	To receive the PAB's feedback
25 Jan 2017	PAB	Further & final consideration
8 Mar 2017	PSB	To agree a recommendation
16 May 2017	Council	Formal decision and agreement of revised Terms of Reference

5. Recommendations

5.1 That the timescales outlined in paragraph 4.1 be noted.

6. Link to Essex Pension Fund Objectives

6.1 Reviewing the Fund's governance arrangements with the regard to the PAB assists in achieving the following Fund objectives:

- ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise

- act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- understand and monitor risk and compliance
- to ensure the Fund is properly managed

7. Risk Implications

7.1 The Fund's risk register includes the following risk (Ref G1): *"Failure of governance arrangements to match up to recommended best practice leads to loss of reputation and employer confidence and /or need to make major changes at short notice"*.

7.2 The current rating for this risk is as follows:

	Residual Impact	Residual Probability	Residual Risk score	Above key risk threshold (residual risk score of 6)
Current rating	3	1	3	No

8. Communication Implications

8.1 Communication will be required between the PAB and the PSB.

9. Finance and Resources Implications

9.1 The cost of revised any revised arrangements will be required to be met from the Fund.

10. Background Papers

10.1 PAB Terms of Reference.