

## Notes of the meeting of the Essex Pension Fund Advisory Board (PAB) held in Committee Room 2, on 25 September 2019

### 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	Head of Norfolk Pension Fund
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#### Employer Representatives

Cllr Terry Cutmore	Rochford District Council
Cllr Shane Hebb	Thurrock Borough Council

#### Scheme Member Representatives

Andrew Coburn	UNISON
Debs Hurst	Chelmsford College
James Sheehy	Witham Town Council
Stuart Roberts	Shenfield High School

In addition, the Essex Pension Strategy Board (PSB) member Sandra Child (UNISON) attended the meeting as an observer.

The following officers and advisors were also present in support:

Jody Evans	Interim Director for Essex Pension Fund
Sam Andrews	Investment Manager
Sara Maxey	Employer Manager
Daniel Chessell	Retirement Team Manager
Amanda Crawford	Compliance Manager
Helen Pennock	Compliance Analyst
Karen McWilliam	Independent Governance and Administration Advisor (IGAA) (AON)

It was mentioned that the meeting would be recorded to assist with the notes for the meeting.

#### Opening Remarks

The Chairman welcomed two new PAB Members James Sheehy and Stuart Roberts, Scheme Member Representatives. As this was their first meeting,

introductions round the table were made. The Chairman also welcomed Sandra Child (UNISON), PSB observer.

### **Apologies for Absence**

It was noted that Cllr Simon Walsh and James Durrant would not be able to attend the meeting.

### **Declaration of Interest**

Declarations were received from:

Andrew Coburn - declared he was in receipt of an LGPS Pension.

## **2. Appointment of Vice-Chairman**

The Chairman asked for nominations to be put forward for the role of Vice-Chairman. Only one nomination was received that of Andrew Coburn, UNISON.

### **Resolved:**

After a show of hands Andrew Coburn was subsequently elected for the role of the Vice-Chairman.

## **3. Notes of the previous meeting**

Notes of the meeting of the PAB held on 5 June 2019 were approved as a correct record and signed by the Chairman.

The following points were raised by the Chairman for noting:

- the PAB TOR would be put before Full Council on 8 October 2019;
- the SAB survey had been included within this agenda pack; and
- all other matters were to be dealt with through this agenda pack.

### **Resolved:**

The Board noted the updates.

## **4. Essex Pension Fund Strategy Board (PSB) Meetings 3 July and 11 September 2019**

The Interim Director for Essex Pension Fund drew the Board's attention to agenda item 4 which detailed the content discussed at the last two PSB meetings.

The key points discussed at the last two PSB meetings were brought to member's attention. The following items were presented to the Board via presentation and verbal update:

- Officer Changes within Essex Pension Fund:

- Due to the departure of the Director, Kevin McDonald, who has taken on a two-year secondment as the Interim Director for ACCESS Support Unit, Jody Evans has now taken over the role and has been appointed the Interim Director for Essex Pension Fund.
- This then saw the uplift of four Members of the Management Team to deputise for the Interim Director within their areas of expertise: Samantha Andrews, Investment Manager; Sara Maxey, Employer Manager; Amanda Crawford, Compliance Manager; and Daniel Chessell, Retirement Manager.
- It was also highlighted to the Board that the LAPF Investment Awards took place on 19 September 2019. The Fund were shortlisted for three awards and won the Scheme Governance Award. The Board congratulated the team.
- PAB Membership Review:
  - The Board were notified of the change in membership showing that two new Scheme Member Representatives were successfully appointed to the PAB in August 2019. They were: James Sheehy, Witham Town Clerk and Stuart Roberts, Shenfield High School Business Manager.
  - The Board were also notified that James Durrant was re-appointed as part of the Employer Representative review being the only nominee.
  - The Board were notified that the next phase of the review would be to review the PAB Chairman appointment and that this would commence 30 September 2019.
  - The Chairman and Vice-Chairman asked for their thanks to Paul Hewitt, previous PAB Vice-Chairman, to be recorded for his service to the Fund over the last 4 years.
- Risk Register:
  - The Board were provided with a Heatmap of the Fund's Risks and were notified that a risk in relation to the McCloud judgement had been re-assessed and scored as red.
  - In addition, the Board were notified that risk I8 was being reviewed and would be updated after the Responsible Investment Workshop on 25 October 2019.
  - The Chairman brought to the attention the concerns raised during previous meetings in relation to Cyber security. The Chairman confirmed that this was captured within the Fund's Risk Register.
  - Concerns were raised in relation to the ECC system recovery processes and it was confirmed that this would be discussed later in the Agenda under Business Continuity.
- Valuation:
  - The Employer Manager provided the Board with a presentation highlighting the key developments of the 2019 Valuation that were discussed at the PSB.

- Slides were presented to the Board to show the timeline for the completion of the Fund's Funding Strategy Statement. The Board were made aware that the PSB agreed to utilise the out of committee decision making process stage 3.
- The Employer Manager also presented to the Board an overview on the Fund's processes in relation to Exit Payments.
- Charging Policy:
  - At the last PAB meeting, the Board asked for a trend analysis since the publication of the Charging Policy in relation to timely and accurate annual returns from the Fund's employers.
  - The Fund provided a presentation showing the last five years highlighting the vast improvements made with the quality of data they receive from their employers. The Board showed their appreciation to the Fund for their hard work to achieve the results.
  - In addition, the Board asked if the Fund could provide a further breakdown of the trends by members and employers.
- Business Continuity:
  - The Board were advised that during the last PSB meeting, the PSB requested the PAB review the business continuity arrangements for the Fund. The Board were informed that the Compliance Manager, in consultation with the IGAA, would be reviewing the business continuity plan and would report on progress at the next meeting. It was confirmed that this would capture reliance on ECC systems.

**Action:**

The Fund will provide a further breakdown of the trend analysis from publication of the Charging Policy at a future meeting.

**Action:**

The Fund will provide an update on business continuity at the next meeting.

**Resolved:**

The Board noted the report, presentations and updates.

## 5. Good Governance Survey

The Chairman introduced this item and invited the IGAA to provide an update on the progress made with the Good Governance Survey. The Board were informed that in addition to the paper survey, workshops and listening groups have also been set up to reach as many stakeholders as possible.

The Board were notified that the key outcomes included: robust conflict management; assurance administration and other resource (quantity and competency) sufficient to meet regulatory requirements and budget appropriate; explain policy on employer and member engagement and representation on governance; and regular independent review of governance

to assess effectiveness of administering authority's governance arrangements in the context of the desirable features and expected outcomes set out in guidance on an 'outcomes-based' model.

The Board were notified that the Fund would conduct a self-assessment against the areas highlighted and would report their assessment to the Board.

**Resolved:**

The Board noted the report and update.

**6. SAB Pension Board Survey**

The Chairman introduced this item and invited the IGAA to provide an update on the progress made with the SAB Pension Board Survey. With its publication imminent, the Board were asked to agree how they would consolidate their responses. It was therefore discussed and agreed that upon publication, the Compliance Manager would complete the survey to cover the factual questions. Suggestions would also be made and sent out to the Board via email for comment/amendment.

**Action:**

Compliance Manager to start compiling responses on publication of the survey and to obtain further comments / amendments from the Board, providing a joint response.

**Resolved:**

The Board noted the report and update.

**7. Papers provided to PAB**

The Interim Director for Essex Pension Fund drew the Board's attention to agenda item 7 which listed the documents which had been issued to the PAB since their last meeting.

The Chairman asked if the paper could be further expanded to highlight what the main subject(s) of discussion was at each PSB and ISC meeting.

**Action:**

Compliance Manager to expand this paper to include the main subject(s) discussed at the PSB/ISC meetings.

**Resolved:**

The Board noted the report.

**8. Schedule of Future meetings**

The Board noted the schedule of meetings for the municipal year 2019/20 and were also advised the agreed dates of the PSB and ISC should they wish to attend as an observer.

The Board were notified that all PSB meetings would start an earlier time of 10am.

Pension Advisory Board

15 January 2020 – 1pm

Pension Strategy Board

18 December 2019 – 10am

4 March 2020 – 10am

Investment Steering Committee

27 November 2019 – 1pm

19 February 2020 – 1pm

25 March 2020 – 1pm

The Board were also notified of the upcoming Annual Governance Conference in January 2020. The Board asked for the details of this event to be passed onto Members.

**Action:**

Compliance Manager to provide the Board with details on the Annual Governance Conference.

**Resolved:**

The Board noted the update.

**9. Urgent Business**

None.

**Exclusion of the Public and Press**

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

**Resolved:**

The Chairman brought to the attention the above statement and the Board agreed to proceed.

**10. Pooling Update**

The Members of the Board received a presentation and update from the Interim Director for Essex Pension Fund highlighting the outcome of the ACCESS Support Unit (ASU) recruiting activities and the outcome of the latest Joint Committee meeting.

**Resolved**

The Board noted the progress to date.

**11. Urgent Exempt Business**

None.

**12. Closing Remarks**

The Chairman thanked members of the Board for their hard work and support over the last 4 years in case the review of the PAB Chairman sees the role being taken forward by another individual.

The Chairman also notified the Board that they would have sight of the Fund's new Business Plan at their next meeting.

The Chairman reaffirmed that the next PAB meeting would take place on Wednesday 15 January 2020 at 1.00pm.

There being no further business the meeting closed at 2.54pm.

**Chairman**  
**15 January 2020**