



Essex County Council

Essex Pension Fund Advisory Board

This meeting is not open to the public

14:00	Wednesday, 22 September 2021	Online Meeting,
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For information about the meeting please ask for:

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How to take part in/watch the meeting:

Participants: (Officers and Members) will have received a personal email with their login details for the meeting. Contact the Compliance Team if you have not received your login.

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Essex Pension Fund Advisory Board	PAB 01
Date: 22 September 2021	

Essex Pension Fund Advisory Board Membership, Apologies and Declarations of Interest

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

Executive Summary

No Membership changes since the last meeting. Update on outstanding vacancy to be confirmed.

1. Purpose of the Report

- 1.1 To present Membership, Apologies and Declarations of Interest for the 22 September 2021 PAB.

2. Recommendation

- 2.1 That the Board should note:

- Membership as shown overleaf;
- Apologies;
- Declarations of Interest to be made by Members in accordance with the Members' Code of Conduct and the Essex Pension Fund's Conflict of Interest Policy.

3. Membership

(Quorum: 4)

9 members consisting of:

- one Independent Chairman;
- four Employer representatives; and
- four Scheme Member representatives.

Membership

Representing

Nicola Mark

Independent Chairman

Employer Representatives

Councillor Lewis Barber

Essex County Council

Councillor Martin Bracken

Chelmsford City Council

Councillor Jack Duffin

Thurrock Borough Council

James Durrant

Essex Police, Fire and Crime Commissioner
Fire and Rescue Authority (Essex PFCC
FRA)

Scheme Members Representatives

Andrew Coburn

Pensioner, Ex Essex County Council,
UNISON

Debs Hurst

Active Member, Chelmsford College

Stuart Roberts

Active Member, Shenfield High Academy

Vacant

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB), held at 2:00pm as an online video conference on 07 July 2021

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, MBE Independent

Employer Representatives

Cllr L Barber	Essex County Council
Cllr M Bracken	Chelmsford City Council
Cllr J Duffin	Thurrock Borough Council
James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority

Scheme Member Representatives

Andrew Coburn	UNISON (Vice Chairman)	
Debs Hurst	Chelmsford College	(arrived at 2.18pm)
Stuart Roberts	Shenfield High Academy	

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

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

Jody Evans	Director for Essex Pension Fund
Samantha Andrews	Investment Manager
Daniel Chessell	Retirement Manager
Sara Maxey	Employer Manager
Joel Ellner	Technical Hub Analyst
Amanda Crawford	Compliance Manager
Marcia Wong	Compliance Officer
Farzaneh Bahramzadeh	Compliance Team Assistant (Summer Intern)

Mary Lambe

Representing the Independent Governance and
Administration Adviser (IGAA), Aon

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

Apologies for Absence

It was noted that Debs Hurst would be late to the meeting.

Opening Remarks

The Chairman welcomed all Officers, Advisers and Observers to the meeting. In addition, took the opportunity, it being the first meeting of the municipal year to:

- welcome the new Employer Representatives, Cllr Lewis Barber and Cllr Jack Duffin, who replaced Cllr Simon Walsh and Cllr Shane Hebb respectively;
- congratulate Jody Evans on her permanent appointment to the position of Director for Essex Pension Fund; and
- congratulate Andrew Coburn on his reappointment by UNISON as their representative on the PAB.

Resolved:

The Board noted the report and update.

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 and James Durrant declared they were both active Essex LGPS Members; and

Stuart Roberts declared that he and his wife were also active Essex LGPS Members.

At the invitation of the Chairman, Cllr Barber and Cllr Duffin both confirmed they had nothing to declare.

In addition, the Chairman requested that Members, Officers and Advisers introduce themselves for the benefit of the two newly elected Members to the Board, Cllr L Barber and Cllr J Duffin.

2. Notes of the previous meeting held on 17 March 2021

Notes of the meeting of the PAB held on 17 March 2021 were approved as a correct record and signed by the Chairman.

The following points were raised for noting:

- confirmation that Officers had written to James Sheehy thanking him for his contribution on the Board;
- Fund Officers and the IGAA had reached out to the presenters of the CIPFA & Barnett Waddingham Spring Seminar to try and obtain the checklist on what makes a 'Good Local Pensions Board Member' that was brought to the attention of the PAB at their last meeting. Unfortunately, the presenter was only in a position to share the slides used as part of the Seminar which PAB attendees were already in receipt of; and
- an update was provided to the PSB during their earlier meeting in regard to the outcome of the Governance Effectiveness Review.

Action:

The Chairman requested that Fund Officers write to Cllr Walsh and Cllr Hebb on behalf of the Board to thank them both for their contribution to the work of the Board over the duration of their terms.

Resolved:

The Board noted the updates provided.

3. PAB Terms of Reference

The Compliance Manager brought to the attention of the Board the key aspects of the PAB Terms of Reference which were pivotal to their role.

These included:

- the PAB be a "critical friend" to the PSB and Investment Steering Committee (ISC);
- to provide oversight of decisions made by the PSB and ISC to ensure that due process has been followed;
- at the invitation of the PSB, the PAB may also undertake other tasks; and
- to provide such information upon request to other bodies e.g. LGPS Scheme Advisory Board and The Pensions Regulator (TPR) and provide an annual report of the work of the Board to the Scheme Manager.

Resolved:

The Board noted the Terms of Reference at Appendix A to the report.

4. Appointment of Vice Chairman.

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

Resolved:

Andrew Coburn be re-appointed as Vice Chairman of the PAB.

5. Essex Pension Fund Advisory Board (PAB) Annual Report

The Director for Essex Pension Fund presented the PAB Annual Report highlighting in particular, the PAB's contribution to the review of the Fund's Annual Surveys and Business Continuity Arrangements and noting it was approved by the PAB Chairman and Vice Chairman in June 2021.

Members noted that the PSB had raised a point of clarification in regard to the Employer title for James Durrant.

The Board were made aware that upon their agreement, the Report would be included within the Fund's Annual Report and Accounts and shared with the Local Government Scheme Advisory Board.

Action:

Fund Officers to confirm if James Durrant's Employer name referenced in the Report was factually correct.

Post meeting note: It has been confirmed that James Durrant's Employer should be amended to state 'Essex Police, Fire and Crime Commissioner Fire and Rescue Authority' as amended at section 1 of these Notes.

Resolved:

The Board agreed for the Annual Report to be shared with the Local Government Scheme Advisory Board.

6. Essex Pension Fund Strategy Board (PSB) Update

The Board received a presentation from the Director for Essex Pension Fund on the outcome of this morning's PSB meeting. The main areas of discussion were in relation to:

- the key areas within the PSB Terms of Reference;
- the noting of the PSB Annual Report approved by the PSB Chairman and that it would be presented to Full Council on 13 July 2021;

- an update in regard to the Business Plan, noting that eight of the forty-five areas of activity had been completed;
- the PAB's previous red Scorecard Measure in relation to PAB meeting attendance reverting to green along with the continuation of a red Measure due to the vacant Scheme Member representative position;
- one positive movement within the Risk Register relating to the knowledge and expertise of Board/Committee Members which had now returned to its target score as a consequence of the minimal impact resulting from the outcome of the local Elections and May 2021 Full Council meeting;
- the Fund's achievement of a decade of 'Good Assurance' from Internal Audit with no recommendations made for the third consecutive year;
- an update in regard to the delay in the commencement of the External Audit of the Fund;
- a Dashboard summarising the Fund's Draft Statement of Accounts position which was applauded by the Board;
- the main business discussed at the 24 March 2021 and 16 June 2021 ISC meeting. Officers informed the Board that an online training presentation in regard to the Fund's Responsible Investment (RI) journey was currently in development;
- the recommencement of the Board's Scheme Member Representative recruitment;
- the outcome so far of PSB Members Training Needs Analysis (TNA) noting that some TNA's and one-to-one meetings were still outstanding;
- the Fund's Consultation response to The Pensions Regulator's (TPR) Single Modular Code and the recent issuing of two further HM Treasury Consultations;
- the outcome of the Government Actuary's Department (GAD) Section 13 assessment of the Fund;
- the Employer Manager's update in relation to the Fund's Flexibility Policies, Exit Credits and Employer terminations; and
- the outcome of Aon's Governance Effectiveness Review.

Resolved:

The Board noted the papers considered by the PSB.

7. Update on Members Training

The Board received an update from the Compliance Manager in regard to the outcome of the TNA's and one-to-one meetings carried out by Fund Officers with PAB Members. A draft Two-Year Training Plan was presented to the Board identifying the areas of training and the proposed method of delivery.

It was noted that the new Members would be required to complete their TNA six months after commencement on the Board.

It was requested that Members consider their preference in regard to how they wish to learn, whether that be training in the form of interactive webinars, self-learning online modules or a combination of both.

Officers confirmed that as well as an overall PAB Two-Year Training Plan, Members would also be issued with an individual Training Plan.

Members stated that they found the TNA and one-to-one process beneficial to their role.

Action:

Fund Officers to obtain feedback from Members on the training method of delivery they would prefer.

Resolved:

The Board noted the review undertaken of the Board's overall TNA and the next steps.

8. Breaches Policy: Hot Topics

The Board received an interactive training presentation from the Technical Hub Analyst in relation to the Fund's Policy for Recording and Reporting Breaches of the law.

Resolved:

The Board noted the Hot Topics training presentation.

9. Papers provided to the Essex Pension Fund Advisory Board (PAB)

The Compliance Manager presented a report 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

Members were reminded of the schedule of meetings for the remainder of the municipal year.

Essex Pension Fund Strategy Board

22 September 2021 10am - 1pm

15 December 2021 10am - 1pm

23 March 2022 10am - 1pm

Investment Steering Committee

13 October 2021 10am - 1pm

29 November 2021 10am - 4pm

23 February 2022 10am - 1pm

The Board were reminded that their meetings would be held on the same day as the PSB with a scheduled start time of 2pm.

In addition, Members were made aware of forthcoming training events for their consideration.

Resolved:

The Board noted the content of the report.

11. Any Other Business

There were none.

12. Closing Remarks

There being no further business the meeting closed at 3:49pm.

Chairman
22 September 2021

Essex Pension Fund Advisory Board	PAB 03
Date: 22 September 2021	

Essex Pension Fund Strategy Board Update

Report by the Director for Essex Pension Fund
Enquiries to Jody Evans on 03330 138489

Executive Summary

The Director for Essex Pension Fund will update the Board on the Essex Pension Fund Strategy Board meeting held on 22 September 2021.

1. Purpose of the Report

- 1.1 To provide the Board with an update from the Essex Pension Fund Strategy Board (PSB) meeting held on 22 September 2021.

2. Recommendation

- 2.1 The Board note the papers reviewed by the PSB.

3. Background

- 3.1 Since the last Board meeting, one PSB meeting was held on 22 September 2021. Board Members (PAB) were sent copies of the Agenda Pack for this meeting and were provided the opportunity to observe.
- 3.2 Each agenda item from the 22 September 2021 PSB has been noted in section 4 to encourage discussion by the Board after observing the PSB prior to this meeting.

4. Update on PSB meeting 22 September 2021

- 4.1 The Board are invited to discuss the items that were provided to the PSB at their 22 September 2021 meeting that took place earlier today. Areas available to discuss are as follows:
 - Outcome of Individual Training Needs Analysis (TNA) and proposal for Online Training;
 - Update on Pension Fund Activity;
 - External Audit Update;
 - PAB Quarterly Update;
 - PAB Scheme Member and Independent Chairman Recruitment;
 - Essex Pension Fund Printing and Posting Procurement;
 - HM Treasury Consultation Responses;
 - Bitesize Training – LGPS Landscape;
 - Employer Update; and
 - Aon Combination.

5. Background Papers

- 5.1 PSB Agenda Pack for the 22 September 2021 meeting.

Essex Pension Fund Advisory Board	PAB 04
Date: 22 September 2021	

PAB Governance Effectiveness Review

Joint Report by the Compliance Manager and Independent Governance and Administration Adviser (IGAA)

Enquiries to Amanda Crawford on 03330 321763

Executive Summary

An outline of the approach for the PAB Governance Effectiveness Review has been provided by the Fund's IGAA.

1. Purpose of the Report

- 1.1 To provide details of the forthcoming plans for the next stage of the Fund's Governance Effectiveness Review to be undertaken by the Fund's IGAA.
- 1.2 This is the final stage of the Review, and builds on the recent outcome of the Essex Pension Fund Strategy Board (PSB) and Investment Steering Committee (ISC) Review, which was reported to the July 2021 PSB meeting.

2. Recommendation

- 2.1 The Board should note the plans set out in this report including the requirement for Members to complete a survey on the effectiveness of the PAB which will be issued to Members in early October 2021.

3. PAB Effectiveness Review Plan

3.1 In preparing the plan set out in this paper the IGAA held a call with the PAB Chairman, Investment Manager and the Compliance Manager on 07 September 2021.

3.2 The Chairman has requested the PAB be consulted on the areas to be covered within a Survey of the Membership. Suggested areas of the Review to be covered include:

- Meeting Effectiveness – incorporates questions relating to the length of meetings, engagement during meetings, meeting format (virtual/hybrid/face to face);
- Accessibility, Format and Usefulness of Information – incorporates questions relating to whether the Board receive timely, sufficient and appropriate information in their meeting packs and presented at the meetings;
- Knowledge, Understanding and Succession Management – incorporates questions relating to knowledge and skills including effectiveness of induction training, overall understanding of role on the PAB including on appointment and how to minimise unnecessary change in Board membership;
- The Board's role – incorporates questions relating to whether the Board feel its business appropriately covers all areas as expected by the responsibilities in the terms of reference and best practice;
- The Independent Chairman's role – what do PAB Members expect from their Chairman;
- Summary and final comments – will include a question relating to any impacts from Covid-19.

4. Next steps

4.1 The activity to review the PAB's effectiveness will include a survey of PAB Members to gather their views.

4.2 The survey will be provided electronically to Members (with an option for a paper version). The proposed timeline for this process is detailed below:

Event	Date
Issuing of draft Survey to Director for EPF and PAB Chairman incorporating comments from the PAB	27 September 2021
Aon to issue Survey to PAB Members for completion	04 October 2021
Deadline for completion of Survey	15 October 2021
Review of initial findings and initial report to Director for EPF and PAB Chairman	05 November 2021
Findings presented to PAB for discussion and clarification	15 December 2021
Final Report presented to PSB	23 March 2022

5. Risk Implications

- 5.1 A review of the effectiveness of the PAB forms part of the Fund's governance and enables the Fund's key risks to be managed as part of the overall governance arrangements.

6. Communication Implications

- 6.1 Other than ongoing reporting to PAB and PSB as to the findings of the Review there are no communication implications.

7. Finance and Resource Implications

- 7.1 The Fund is still awaiting the costs relating to this Review. At this stage it is not covered within the Fund's 2021/22 Budget.

Essex Pension Fund Advisory Board	PAB 05
Date: 22 September 2021	

Papers provided to Essex Pension Fund Advisory Board

Report by the Compliance Manager

Enquiries to Amanda Crawford 03330 321763

Executive Summary

All papers provided to the PAB since last meeting have been detailed in this Report.

1. Purpose of the Report

1.1 To note the distribution of the items detailed below since the last meeting of the PAB.

1.2 Investment Steering Committee (ISC):

Meeting of 16 June 2021 - Minutes and slides e-mailed 20 August 2021

1.3 Essex Pension Fund Strategy Board (PSB):

Meeting of 07 July 2021 - Minutes and Slides e-mailed 20 August 2021

Meeting of 22 September 2021 - Agenda pack e-mailed 14 September 2021

Main Points to note:

Agenda item 03 - Outcome of Individual Training Needs Analysis and proposal for Online Training

Agenda item 04 - Update on Pension Fund Activity

Agenda item 05 - External Audit Update

Agenda item 06	- PAB Scheme Member and Independent Chairman Recruitment
Agenda item 07	- Essex Pension Fund Printing and Posting Procurement
Agenda item 08	- HM Treasury Consultation Responses
Agenda item 13	- Aon Combination

1.4 Essex Pension Fund Advisory Board (PAB):

Meeting of 07 July 2021	- Minutes and Slides e-mailed 20 August 2021
Meeting of 22 September 2021	- Agenda pack e-mailed 14 September 2021

1.5 Other:

LGPC Bulletin 211	- E-mailed 30 June 2021
Aon webinars – Cyber Attack Training	- E-mailed 30 June 2021
PAB Member update	- E-mailed 05 July 2021
LGPC Bulletin 213	- E-mailed 31 August 2021

2. Recommendation

- 2.1 That the Board should note the above.

Essex Pension Fund Advisory Board	PAB 06
Date: 22 September 2021	

Schedule of Future Meetings and Events

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

Executive Summary

A reminder of the upcoming PAB meetings and Training Days have been provided along with a reminder of the LGA Fundamentals External Training.

1. Purpose of the Report

- 1.1 To provide the Board with an update on the schedule of future meetings and events.

2. Recommendation

- 2.1 That the Board note the content of the report.

3. Background

- 3.1 Dates of meetings and events of PAB meetings are provided below for the Board to note and to invite Members to attend any training sessions available.

4. Upcoming Event(s)

- 4.1 The next events to take place are:

Date	Title	Venue	Action
3-day event Day 1 – Tues 12 October 2021 Day 2 – Tues 09 November 2021 Day 3 – Thur 02 December 2021	Fundamentals Training Programme	London (also Hybrid)	To notify Amanda.crawford@essex.gov.uk by COP 01 October 2021 if any Member wishes to attend Further details are at Appendix A

5. Schedule of Meetings

- 5.1 The meeting dates/times for the Board to note are:

Pension Advisory Board	
Wednesday 15 December 2021	2pm – 4pm
Wednesday 23 March 2022	2pm – 4pm

- 5.2 The PAB meetings are planned to be held on the same day as the PSB meetings to enable the PSB meetings to be observed in the morning. All PSB meetings start at 10am on the dates listed above.

Training Days	
EPF Back to Basics	03 November 2021

6. Finance and Resources Implications

- 6.1 All costs for training are met with the Fund's existing 2021/22 Budget and must be approved booked by the Fund.

7. Background Papers

- 7.1 Schedule of Future Meetings and Events, PAB 10, 07 July 2021.

Fundamentals - Day 1 – LEGAL FRAMEWORK OF THE LGPS

9:30	Registration and Coffee
9:30	Chair's introduction to the day
10:00	The Legal Landscape <ul style="list-style-type: none"> • The LGPS in its legal context • General local authority legal issues • LGPS specific duties and responsibilities • Wider duties and responsibilities • What happens when things go wrong?
11:15	Break
11:30	Governance Framework <ul style="list-style-type: none"> • The Hutton report • The Public Service Pensions Act 2013 • The law governing - <ul style="list-style-type: none"> - The responsible authority (MHCLG) - Scheme advisory board - Local pension board - Asset pools
12:45	Lunch
1:30	Benefit Structure <ul style="list-style-type: none"> • The basis of the LGPS • Final salary v CARE schemes • A tour of the 2014 Scheme • Administering authority and scheme employer roles
2:15 to 4:00	(Break at 2:45)
3:00	Investment Framework <ul style="list-style-type: none"> • The Management and Investment of Funds Regulations – a history • Statement of investment principles • Investment Strategy Statement (ISS) • ISS statutory guidance • Funding strategy statement • Annual reports and auditing
3:55	Course Review and Further Information
4:00	Close

Fundamentals - Day 2 – LGPS INVESTMENTS

9:30 Registration and refreshments

9:55 Introduction from the Chair

10:00 Investing strategically Part 1

What is asset allocation and why it really drives return?

10.40 Investing strategically Part 2

What are the different asset classes and how do they work?

11.20 Break

11.40 The climate challenge

What are the options to minimise the risk of your portfolio to climate change and contribute to a low carbon world?

12.40 Lunch

1.30 The stewardship challenge

How to manage your managers and be an effective asset owner

2.10 The impact challenge

Taking account of the social impact of your investments and the opportunities to make a difference

2.50 Break

3.10 The 'crystal ball' challenge

The outlook for opportunities and risks over the medium and long term

4:15 Close

Fundamentals - Day 3 – DUTIES AND RESPONSIBILITIES

9:30	Registration and Coffee
9:30	Chair's introduction to the day
10:00 members	Duties and responsibilities of Pension Committee and Board <ul style="list-style-type: none">• The evolving requirements• Committee vs Board - delegation and representation• The governance budget• The Pension Regulator's involvement• Standing agenda items, breaches of law, knowledge and training• Bodies with oversight over the LGPS
11:00	Break
11:15	Preparing and maintaining Scheme strategies and policies <ul style="list-style-type: none">• Mandatory and desirable policies in the LGPS• How strategies and policies assist the scheme manager
12:00	MHCLG – a view from the bridge <ul style="list-style-type: none">• The role of the ministry• Issues on the radar
12:45	Lunch
1:30	The Local Pension Board - a case study <ul style="list-style-type: none">• How the local pension board can improve service delivery• Good practice, scrutiny and supporting the board
2:15 to 4:00	(Break at 2:45)
3:00	Valuations, Exit Payments and Funding Valuation <ul style="list-style-type: none">• The purpose of an actuarial valuation• Assets and liabilities• How do liability calculations work?• What assumptions are used? Funding <ul style="list-style-type: none">• What is the importance of funding strategy?• Different employers – different characteristics and objectives• Employer covenants
3:55	Course Review and Further Information
4:00	Close

