

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB) held in Committee Room 2, on 15 January 2020

1. Membership, Apologies and Declarations of Interest

The report of the Membership, Apologies and Declarations of Interest were received.

Membership Present:

Employer Representatives

Cllr Terry Cutmore	Rochford District Council
Cllr Simon Walsh	Essex County Council
James Durrant	Essex Fire Authority

Scheme Member Representatives

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

In addition, the Essex Pension Fund 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
Amanda Crawford	Compliance Manager
Helen Pennock	Compliance Analyst
Karen McWilliam	Independent Governance and Administration Advisor (IGAA) (AON)

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

Post meeting note: Due to a technical issue, the meeting was not recorded.

Apologies for Absence

It was noted that Nicola Mark, Independent Chairman, and Cllr S Hebb would not be able to attend the meeting.

Opening Remarks

The Vice Chairman notified the Board that in the absence of the Chairman due to illness he would be Chairing the meeting. The Board asked for their best wishes to be sent onto the Chairman.

The Vice Chairman also welcomed the Board, PSB Member Sandra Child (UNISON), as an Observer.

Action

The Compliance Manager to send best wishes from the Board to the Chairman.

Declarations of Interest

Declarations were received from Andrew Coburn who declared he was in receipt of an Essex LGPS Pension. Cllr S Walsh declared that he was in receipt of an LGPS Pension from another Fund and that he is the Director of RCCE which is one of the Fund's Employers.

Debs Hurst, Stuart Roberts, James Sheehy and James Durrant declared they were all active Essex LGPS Members.

In addition, Stuart Roberts declared that his wife was also an active Essex LGPS Member.

2. Notes of the previous meeting

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB) held on 25 September 2019 were approved as a correct record and signed by the Vice Chairman.

The following points were raised by the Vice Chairman for noting:

- the minutes were amended to include Declarations of Interest from Debs Hurst, Stuart Roberts, James Sheehy and James Durrant as active Members of the Essex LGPS;
- at the last meeting, an action for Fund Officers to provide a further breakdown of the trend analysis from commencement of the Charging Policy to a future meeting was raised. The Board were informed that unfortunately a more granular trend analysis breakdown on historic years was not possible, but the information had been captured on last year's figures. The Board agreed, that as this action was requested by Cllr Hebb who was unable to attend the meeting, Fund Officers would liaise with him to establish a way forward; and
- all other matters were to be dealt with through this agenda pack.

Resolved:

The Board noted the updates provided.

Action:

The Interim Director for Essex Pension Fund to contact Cllr Hebb to establish his requirements in relation to the further breakdown of trends since the publication of the Charging Policy.

3. Essex Pension Fund Strategy Board (PSB) Meeting 18 December 2019

The Interim Director for Essex Pension Fund drew the Board's attention to agenda item 3 which detailed the content discussed at the last PSB meeting.

The Interim Director for Essex Pension Fund notified the Board that at the March PSB meeting a number of policies and publications were being taken to this meeting for approval.

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

- PSB/ISC/PAB Terms of Reference

The Board were reminded that the Terms of Reference (TOR) review had been completed with the ISC, PSB and PAB TORs being approved by Full Council and subsequently published within ECC's Constitution during October 2019. The TOR for the PAB had been included within the agenda pack at item 3a for noting.

- EPF Policies and Publications

The Board were reminded that the Risk Register review had been completed with the revised Risk Register being maintained as a live document which is then reviewed and updated on a regular basis.

It was noted that both the Business Plan and Scorecard reviews are currently in progress and will be taken to the PSB meeting in March 2020 for their approval.

A slide detailing some minor revisions to the Fund's objectives was presented to the Board. The IGAA explained that these amendments were made to enable scorecard measures to be applied against them more easily.

- Good Governance Report

The Interim Director for Essex Pension Fund explained that a self-assessment against the recommendations made within the Good Governance Phase I report had been completed. Slides were presented to show the Fund was in the main fully compliant against the recommendations including reasons for the assessments made with a couple of exceptions.

The Board were informed that the three areas that were assessed as partially compliant were:

- the Fund having a separate Conflict of Interest Policy. It was confirmed that this had now been developed and will be taken to the PSB meeting in March 2020 for their approval and subsequently will be published;
 - the setting and approval of the Pension Fund Budget. It was explained that at present the Pension Fund Budget was part of the wider Essex County Council (ECC) budget process. It was explained that the Fund are working with ECC to establish a process whereby the Pension Fund had more accountability for setting and approving its own budget in the future; and
 - the recruitment process. It was noted that the Fund follows the Essex Pay Policy. However at present the Policy lacked clear guidance on the use of market supplements should this be required to attract suitable candidates into certain posts. The Interim Director for Essex Pension Fund has raised this with the S151 Officer.
- Valuation Update

The Interim Director for Essex Pension Fund notified the Board that with over 600 employers in the Fund the timetable of the end of January 2020 for responses from Employers on the Draft Funding Strategy Statement (FSS) would slip. However, the Board were assured that the overall deadline of the end of March 2020 would be met.

The Board were presented with some slides and were updated on the dissemination of the Valuation results to Fund Employers.

- Update on Pension Fund Activity

The Interim Director for Essex Pension Fund provided the Board with an update on Pension Fund activity.

The Board were notified of a risk being scored as Red on the risk register which was in relation to the ongoing McCloud judgement. It was reiterated that the remedy of this case, once known could significantly impact the administration burden of the Fund.

The Board also received an update on the Business Plan for quarter 2 noting that all tasks were in progress.

Resolved:

The Board noted the report, presentations and updates.

4. PAB Review

The Interim Director for Essex Pension Fund gave the Board a detailed update on the PAB review.

The Board were reminded that the review had covered:

- Terms of Reference;
- Membership; and
- Number and timings of meetings.

It was explained that the revised TOR had been approved by Full Council on 08 October 2019 and was subsequently published within the Constitution. This was provided to the Board for information at Agenda Item 3, Appendix A.

It was also noted that Membership was reviewed in three sections:

- Scheme Member Representatives;
- Other Employer Representative; and
- Independent Chairman.

Two new Scheme Members joined the Board from 01 August 2019; the Other Employer Representative was re-elected for a further 4-year term; and the Independent Chairman was offered a 2-year extension in line with the revised TOR which has been verbally accepted.

The number and timings of the Board meetings had also been reviewed and revised in line with the PSB meetings. It was explained the Board meetings would be four times a year instead of three and that the meetings would take place directly after the PSB meetings to enable the PSB to be observed by the Board if they have the capacity to do so.

The Board were notified that the IGAA would review the effectiveness of the PAB in 12 months' time.

Resolved:

The Board noted the report and update.

5. The Pension Regulator (TPR) – Code of Practice 14

The Compliance Manager introduced this item to the Board and provided background information on Code of Practice 14 and the importance of this Code to the Board.

The IGAA updated the Board on the review of Code of Practice 14 which would become the Singular Modular Code and would be provided to Local Pension Boards for consultation at some point throughout the year.

The Board were notified that the Fund had completed a self-assessment to assess the Fund's level of compliance against the current Code of Practice 14.

This had provided the Fund with results and actions against three key areas:

- Governing your Scheme;
- Managing Risk and Issues; and
- Administration.

Two areas were identified within the Governing your Scheme section where the Fund are required to put actions in place to address partial compliance:

- one of the requirements is to develop an individual training needs analysis for each Member of the Boards/Committee. It was noted this is being addressed as part of the review of the Fund's LGPS Knowledge and Skills Training Strategy; and
- the other area related to the Fund having a separate Conflict of Interest Policy. It was noted that this Policy would be taken to the PSB meeting in March 2020 for their approval.

The Board were also informed that a training workshop would take place in relation to the publication of the new Singular Modular Code once available.

Resolved:

The Board noted the report.

Action:

An update on the progress of the Singular Modular Code to be brought to a future meeting.

6. Business Continuity

The Compliance Manager updated the Board on the progress of the Business Continuity Plan (BCP) for Essex Pension Fund.

The Board were notified that Fund Officers had reviewed and updated the plan and were working to resolve the outstanding issues. Once this had been completed the IGAA would complete a quality assurance check on the Plan as well as the Testing Plan. It was noted that the Board would be presented with the full BCP and the Testing Plan at a future meeting.

The Board were also notified that ECC were in the process of implementing a new Business Continuity Management system and that once the new system was available, the Fund would feed its Plan into the ECC Plan.

Resolved:

The Board noted the report and update.

Actions:

- Fund Officers to resolve all outstanding issues within the BCP;
- IGAA to conduct a quality assurance check on EPF BCP and Testing Plan; and
- Full BCP and Testing Plan to be presented to the Board at a future meeting.

7. Scheme Advisory Board (SAB) Pension Board Survey

The Compliance Manager informed the Board that the Survey was not yet available due to the SAB's priorities in relation to Good Governance and Responsible Investment.

The Board were notified that the survey was due to be issued imminently by the SAB and therefore would be sent out to the Board for comment as soon as it becomes available.

Resolved:

The Board noted the update.

Action:

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

8. Papers provided to the Essex Pension Fund Advisory Board

The Interim Director for Essex Pension Fund drew the Board's attention to Agenda Item 8 which listed the documents which had been issued to the Board since their last meeting.

The Chairman had previously asked if the paper could be further expanded to include a description of what the main subject(s) of discussion were at each PSB and ISC meeting.

This had been included in the paper and it was hoped that this was helpful.

The Vice Chairman also asked if information from the SAB, i.e. SAB meeting minutes, could be sent to the Board when they become available.

Action:

Compliance Manager to provide the Board with SAB communications when they become available.

Resolved:

The Board noted the update.

9. Schedule of Future meetings

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

The Board were reminded that the PSB meeting would start at the earlier time of 10am.

Pension Strategy Board

4 March 2020 – 10am

Investment Steering Committee

19 February 2020 – 1pm

25 March 2020 – 1pm

The Board noted the schedule of meetings for the new municipal year 2020/21 and were reminded that the PSB and ISC meetings would now commence at 10am going forward unless stated.

Pension Strategy Board

17 June 2020 – 10am-1pm

23 September 2020 – 10am-1pm

16 December 2020 – 10am-1pm

17 March 2021 – 10am-1pm

Investment Steering Committee

21 July 2020 – 11am-5pm

21 October 2020 – 10am-1pm

20 January 2021 – 10am-4pm

24 March 2021 – 10am-1pm

Training Days

1 July 2020 – 10am-4pm

4 November 2020 – 10am-4pm

Pension Advisory Board

The Board were reminded that as part of the PAB Review, the intention was for PAB meetings to be held on the same day as the PSB allowing them to observe the PSB in the morning and to hold their meeting in the afternoon.

The Board meeting's official start time would be 2pm and the number of meetings had been increased from three to four.

The Board were informed that the number of ISC meetings had been reduced from six to four. However, two meetings would now be extended to a full day.

The Board were also advised that the Annual Governance Conference in York on 23-24 January 2020 would be attended by two Members of the Board and one Fund Officer.

In addition, two Board Members would be attending the CIPFA Local Pension Board Member Seminar in London on 20 February 2020. The Interim Director for Essex Pension Fund stated that one Fund Officer would be attending the Officer day on the 19 February 2020.

The Board were advised the training days would be linked to the Fund's Business Plan. It was also proposed that there would be one training day for all Boards/Committee Members to attend.

Resolved:

The Board noted the update.

10. 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.

11. 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 latest Joint Committee meeting. It was noted that Cllr Barker, the Fund's Joint Committee Representative was elected Vice Chairman of the ACCESS Joint Committee.

The Vice Chairman advised the Board that in regard to the attendance of the recent ACCESS Investor Day the invitation was not extended to the Board due to the Fund being allotted a limited number of places, priority was, therefore, given to ISC Members. The Interim Director for Essex Pension Fund has raised the capacity issue with the Interim Director of ACCESS Support Unit.

Resolved

The Board noted the progress to date.

12. Urgent Exempt Business

None.

13. Closing Remarks

The Vice Chairman reaffirmed that the next PAB meeting would take place on Wednesday 17 June 2020 at 2.00pm following the PSB meeting.

There being no further business the meeting closed at 2.01pm.

Chairman
17 June 2020

DRAFT