
Minutes of the meeting of the Essex Pension Strategy Board, held in Committee Room 2 County Hall, Chelmsford, CM1 1QH on Wednesday, 13 September 2017

Present:

Essex County Council

Cllr S Barker (Chairman)

Cllr S Canning

Cllr A Goggin

Cllr L Scordis

Cllr K Smith*

Cllr C Souter

District/Borough Councils in Essex

Cllr C Riley*

Unitary Councils

Cllr A Moring

Scheme Members

Mrs S Child

Smaller Employing Bodies

Jenny Moore*

*For part of the meeting

The following officers and advisers were also present in support

Kevin McDonald	Director for Essex Pension Fund
Jody Evans	Head of Essex Pension Fund
Ian Colvin	Independent Governance and Administration Adviser
Sara Maxey	Employer Relationship Manager
Sam Andrews	Investment Manager
Matt Mott	Communications Manager
David Tucker	Employer Liaison Manager
Sophie Campion	Democratic Services Officer

1 Apologies for Absence

Apologies were received from Cllr Gagan Mohindra, Essex County Council

2 Declarations of Interest

The Chairman requested Members declare any interests as appropriate.

Cllr Colin Riley declared he was in receipt of an Essex LGPS pension. Cllr Alan Goggin declared his wife, sister and brother-in-law are in receipt of an Essex LGPS pension. Cllr Clive Souter declared he is a Governor at Passmores Academy.

3 Minutes Resolved:

That the Minutes of the Essex Pension Strategy Board held on 5 July 2017 be approved as a correct record and signed by the Chairman.

4 Training: An overview of scheme benefits

Members received an update and overview of scheme benefits from Matt Mott

5 Update on Pension Fund Activity

Members received report EPB/17/17 by the Director for Essex Pension Fund and the Head of Essex Pension Fund which provided an update on:

- 2017/18 business plan
- risk management
- scorecard

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A 2017/18 Business Plan

The Board considered the objectives and actions within the business plan for the following areas:

- Governance
- Investments
- Funding
- Administration
- Communications

During the discussion the following points were raised:

- At the next meeting of the Board the Actuary would be presenting its interim review of the Fund
- Auto Enrolment continues
- The Confirmation of Guaranteed Minimum Pension (GMP) entitlement project was due to be completed by 31 December 2018. However the release of information from the HMRC had been slow and therefore it was unlikely that this deadline would be met. It was noted that the Local Government Association was aware of the

issues and would be noted in the Risk Register.

B Risk Management

Members' attention was drawn to Risk Reference A1 which had a reduced score from 9 to 6 following a financial system migration. The new system was now working and statutory deadlines had been met.

C Scorecard

The Board's attention was drawn to the measures in the scorecard which had been missed and flagged as red. Members noted the explanations provided regarding these measures.

Resolved:

That the report be noted

6 Change to the order of Business

The Board agreed to the Chairman's proposal to take agenda item 7 - Colleges Review, before agenda item 6 - LGA Consultation on Academies.

7 Adjournment

The meeting adjourned at 1.15pm for lunch and Councillor Smith left the meeting. The meeting reconvened at 1.55pm, Councillor Riley and Jenny Moore joined the meeting.

8 Colleges Review

Members received report EPB/19/17 by the Director for Essex Pension Fund which provided an update on the colleges review.

Due to the change of status of colleges from public sector to private sector organisations, it was explained that their contribution rates to the Fund would need to be reviewed in line with becoming higher risk within the scheme.

The Department for Education (DfE) had now concluded its area review and published recommendations for the Essex affected institutions.

During consideration of the report the following points were made:

- It was clarified that this did not include sixth forms attached to schools.
- With the outcomes of the area review the Fund was now in a better position to discuss with the Actuary and the colleges any necessary changes to contribution rates.
- There were some Essex colleges on the Department for Business Innovation & Skills' list of concerns and consequently there was a need to ensure the protection of the Fund.

Resolved:

That the report be noted

9 LGA Consultation on Academies

Members received report EPB/17/18 by the Director for Essex Pension Fund which outlined a response to the Scheme Advisory Board's consultation on draft objectives for the development of academies in the Local Government Pension Scheme (LGPS) and to consider adding to the Academies pool those employing bodies managing outsourced contracts from Academies and Free Schools.

In response to questions it was clarified that:

- A pooled contribution rate would apply
- Where a contractor is used by an academy, only the staff working at the academy would be eligible to join the scheme and not all staff working for that contractor.

Resolved:

That the Board agreed the response attached to the report and agreed to the addition to the Academies pool of those employing bodies managing outsourced contracts from Academies and Free Schools whose admission agreement have been executed after 1 September 2017.

10 Fund discretions: Scheme Pays

Members received report EPB/20/17 by the Director for Essex Pension Fund and the Head of Essex Pension Fund which provided the Board with an understanding of Scheme Pays and Voluntary Scheme Pays following a tax charge.

The Board received an explanation of how Scheme Pays operates which consists of the Fund paying the initial tax charge on the individual's behalf whilst also applying a permanent reduction to the individual's scheme benefits.

Resolved:

That the report be noted and that the Board agree to exercise their discretion for a member to elect for Voluntary Scheme Pays if they have a tax charge of more than £2,000.

11 Training: Annual Accounts

Members received an update and overview on Annual Accounts from the Director for Essex Pension Fund.

12 Essex Pension Fund Annual Accounts

Members received report EPB/21/17 by the Director for Essex Pension

Fund which provided Members with the financial statements for 2016/17.

Resolved:

That the report be noted

13 External Audit Results Report

Members received report EPB/22/17 by the Director for Essex Pension Fund which gave information to Members on the Pension Fund Audit results report: ISO 260 by external auditors EY.

Resolved:

That the report be noted

14 Investment Steering Committee (ISC) Quarterly Report

The Board received report EPB/23/17 by the Director for Essex Pension Fund which provided details on ISC activity since the last Board meeting.

Members received a presentation from the Director of the Essex Pension Fund updating them on the progress of each Pool.

The Board was updated on a proposal for the establishment of an elected Member Cross Pool Information Forum. The Scheme Advisory Board was seeking views on this through a consultation.

Resolved:

That the report be noted and that it was the view of the Board to welcome the establishment of an elected Member Cross Pool Information Forum.

15 Date of Next Meeting

Members noted the next meeting of the Board would be held on Wednesday 13 December 2017.

16 Exclusion of Press and Public

Resolved:

That, having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

17 Year-end returns 2016/17 charging policy

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

18 Potentially Unrecoverable Deficit

The Chairman agreed to consideration of an item of exempt urgent business regarding potentially unrecoverable deficit.

Resolved:

That the Board noted the update by the Director for Essex Pension Fund.

There being no further business the meeting closed at 4.08pm.

Chairman