



Essex County Council

# Essex Pension Fund Advisory Board

This meeting is not open to the public

<b>14:00</b>	<b>Wednesday, 15 December 2021</b>	<b>Online Meeting,</b>
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**For information about the meeting please ask for:**

Amanda Crawford, Compliance Manager

**Telephone:** 03330 321763

**Email:** [Amanda.crawford@essex.gov.uk](mailto:Amanda.crawford@essex.gov.uk)

## 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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<b>Essex Pension Fund Advisory Board</b>	<b>PAB 01</b>
<b>Date: 15 December 2021</b>	

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

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

**This Report is for noting**

### **Executive Summary**

The vacant Scheme Member Representative position recruitment has now been concluded.

Christopher Downes an active member from Essex County Council was appointed on 19 October 2021 as the new Scheme Member Representative on the Board for a term of up to six years.

Officers are not aware of any apologies for the meeting at the time of writing and have recorded one new Declaration of Interest in regard to the newly appointed Scheme Member Representative.

## **1. Purpose of the Report**

- 1.1 To present Membership, Apologies and Declarations of Interest for the 15 December 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 Scheme Member representatives;
- four Employer representatives.

#### **Membership**

#### **Representing**

Nicola Mark

Independent Chairman

#### **Scheme Members Representatives**

Andrew Coburn

Pensioner, Ex Essex County Council, UNISON

Debs Hurst

Active Member, Chelmsford College

Stuart Roberts

Active Member, Shenfield High Academy

Christopher Downes

Active Member, Essex County Council

#### **Employer Representatives**

James Durrant

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

Councillor Martin Bracken

Chelmsford City Council

Councillor Jack Duffin

Thurrock Borough Council

Councillor Lewis Barber

Essex County Council

## Notes of the meeting of the Essex Pension Fund Advisory Board (PAB), held at 2:00pm as an online video conference on 22 September 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
James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority
Cllr J Duffin	Thurrock Borough Council

##### Scheme Member Representatives

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

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
Amanda Crawford	Compliance Manager
Marcia Wong	Compliance Officer

Karen McWilliam	Independent Governance and Administration Adviser (IGAA) Aon
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It was noted that the meeting would be recorded to assist with the notes for the meeting.

### **Apologies for Absence**

Apologies were received from Essex Pension Fund Strategy Board (PSB) Scheme Member representative, Sandra Child who was unable to attend the meeting.

### **Opening Remarks**

The Chairman welcomed Members of the PAB, Officers and Advisers to the meeting and hoped their December meeting could be carried out face-to-face.

The Director for Essex Pension Fund reiterated that the current Essex County Council (ECC) Policy only allowed decision-making Boards/Committees to meet in person. Members were informed that Fund Officers had recently procured a Meeting OWL to enable a hybrid approach to be adopted going forward so those wishing to attend virtually could do so, while others attend in person.

Members were also informed of the recent change in that the Local Government Pension Scheme (LGPS) was no longer under the Government's Ministry of Housing, Communities & Local Government (MHCLG) remit but was now under the, Department for Levelling Up, Housing and Communities (DLUHC).

### **Declarations of Interest**

Declarations were received:

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 active Essex LGPS Members; and

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

## **2. Notes of the previous meeting held on 07 July 2021**

Notes of the meeting of the PAB held on 07 July 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 Cllr Walsh and Cllr Hebb on 30 July 2021 thanking them for their contribution to the work of the Board over the duration of their terms;
- the PAB Annual Report was shared with the Local Government Association (LGA) for onward submission to the Scheme Advisory Board (SAB) on 21 July 2021; and
- an update on Members Training would be provided at Agenda Item 3.

**Resolved:**

The Board noted the updates provided.

**3. Essex Pension Fund Strategy Board (PSB) Update**

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

- Outcome of Individual Training Needs Analysis (TNA) and proposal for Online Training;

It was explained that the PAB Training Plan was agreed by the PSB at their earlier meeting. An overview was then provided to Members to explain the content of their Plan. In addition, Members were advised that they should now be in receipt of their Individual Training Plans and that a hard copy booklet would be posted to them.

Members were also made aware that all Training Plans would be updated periodically.

It was noted that the PSB had agreed for the Fund to sign up to the Hymans Robertson LGPS Online Learning Academy (LOLA) to enable elements of the Training Plans to be carried out by Members in their own time and at their own pace.

- External Audit Update;

The Board were advised that a key topic of discussion at the PSB was in regard to the significant risk around further delays to the External Audit and the ability of BDO LLP to complete their audit by the revised deadline of the November Audit, Governance and Standards Committee meeting.

The Board discussed the impact on the Fund's Scorecard measure which would result in a red measure on the Fund's September Scorecard and how they thought it would be good to draw out the cause in the narrative so it would be clear it is out of the Fund's control.

The Board understood that a letter had been written to the Chairman of the Audit, Governance and Standards Committee and that the PSB would monitor the situation.

The Investment Manager provided reassurance that Fund Officers were in weekly discussions with BDO in regard to their progress.

- Update on Pension Fund Activity;

Progress against the Fund's Business Plan, Budget, Scorecard and Risk Register was provided showing that out of the 45 priorities, 13 were completed, 24 were in progress and 7 were not yet due to commence.

The Budget was currently forecasting a 7% underspend largely resulting from extended lead time in recruiting staff into posts.

The two positive movements within the Risk Register were explained to the Board noting the improvements were due to the continuation of Business as Usual during the pandemic and the lifting of restrictions which resulted in the risk ratings returning to their target scores. As a consequence, this had also positively impacted the Fund's Scorecard, resulting in a movement from amber to green in regard to the percentage of risks at their target score.

The Independent Governance and Administration Adviser (IGAA) highlighted to the Board that the progress detailed within the Scorecard in regard to the rollout of Scheme Member and Employer Online was notable.

The Board asked for the makeup of those using Member and Employer Online. Fund Officers agreed to take that action away.

Other areas of business included:

- an update in regard the Scheme Member Representative recruitment with three applications being received by the closing date of 17 September 2021;
- the agreement to the proposed timetable for the recruitment of the Independent Chairman;
- the Out of Committee Decisions made in August 2021 including:
  - the agreement to award Adare Sec Ltd as the Fund's Printing and Posting Supplier; and
  - the agreement to the HM Treasury Consultation Responses on Discount rate methodology and Cost control mechanism.
- the bitesize training provided by the IGAA in regard to the Wider LGPS Landscape and that the recording would be provided to PAB Members to assist those who were unable to attend the meeting earlier;
- an update in regard to the current liquidations of Fund Employers;



- the Fund's first Deferred Debt Arrangement (DDA) application was also discussed; and
- the termination of the Aon Combination with Willis Towers Watson.

**Actions:**

- Officers to look at the feasibility of providing the makeup of the Members and Employers using Member and Employer Online to a future meeting; and
- Officers to provide PAB Members with the Wider LGPS Landscape training recording.

**Resolved:**

The Board noted the papers reviewed by the PSB.

**4. PAB Governance Effectiveness Review**

The Board received a report from the IGAA providing an overview on how the PAB Governance Effectiveness Review would be carried out.

The Chairman questioned whether the PAB were a decision-making Board and was not sure how decisions of the PAB would be reviewed for their effectiveness. The IGAA confirmed that the PAB do make decisions in regard to how the PAB oversees the management of the Fund.

It was brought to the attention of the Board that a Review of the PAB had been previously carried out and should be considered when this Review is undertaken as well as the TNA conclusions that have already been shared with the IGAA.

**Action:**

- IGAA to attach a copy of the PAB's Terms of Reference to the Governance Effectiveness Survey;
- Members to complete the Survey and return by 15 October 2021; and
- Members to raise any issues with the Survey with Fund Officers.

**Resolved:**

The Board noted the content of the report.

**5. Papers provided to 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.

The Director for Essex Pension Fund brought to the attention of the Board that as a result of the TNA one to one meetings, Officers had introduced Executive Summaries for each of the Fund's Reports. The Board welcomed and applauded the approach.

**Resolved:**

The Board noted the content of the report.

**6. Schedule of Future Meetings and Events**

The Board received a report detailing the planned PSB and Investment Steering Committee (ISC) meeting dates for the remainder of this municipal year along with a reminder of the LGA three-day Fundamentals course that was due to commence in October. It was requested to contact the Compliance Team at Members earliest convenience, should they wish to undertake this training.

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

Essex Pension Fund Strategy Board

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

Training Days

EPF Back to Basics 03 November 2021 Timings to be confirmed

**Resolved:**

The Board noted the content of the report.

**7. Any Other Business**

There was none.

**8. Closing Remarks**

There being no further business the meeting closed at 3:03pm.

**Chairman**  
**15 December 2021**

<b>Essex Pension Fund Advisory Board</b>	<b>PAB 03</b>
<b>Date: 15 December 2021</b>	

## **Essex Pension Fund Strategy Board Update**

Report by the Director for Essex Pension Fund

Enquiries to Jody Evans on 03330 138489

**This Report is for noting**

### **Executive Summary**

This report highlights the items discussed at the PSB earlier today. The Director for Essex Pension Fund will highlight the key items of the meeting for the PAB to discuss.

#### **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 15 December 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 15 December 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 15 December 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 15 December 2021**

- 4.1 The Board are invited to discuss the items that were provided to the PSB at their meeting that took place earlier today. Areas available to discuss are as follows:
- External Audit 202/21: Audit Completion Report Year Ending 31 March 2021;
  - Update on Pension Fund Activity: Quarterly Update Report;
  - Investment Steering Committee Quarterly Report;
  - PAB Quarterly Report;
  - PAB Scheme Member and Independent Chairman Recruitment;
  - Fund Policies: Review of Administration Strategy;
  - 2021 Actuarial Interim Review; and
  - Employer Update.

### **5. Background Papers**

- 5.1 PSB Agenda Pack for the 15 December 2021 meeting.

<b>Essex Pension Fund Advisory Board</b>	<b>PAB 04</b>
<b>Date: 15 December 2021</b>	

## **Essex Pension Fund Advisory Board (PAB) Governance Effectiveness Review**

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

Enquiries to Amanda Crawford on 03330 321763

**This Report is for noting**

### **Executive Summary**

A summary of the findings of the PAB Governance Effectiveness Review survey undertaken in October 2021 as provided by the Fund's IGAA. The results of the survey are extremely positive with no significant issues identified.

## **1. Purpose of the Report**

- 1.1 To provide the findings from the recent survey of Pension Advisory Board (PAB) which is a key part of the Fund's Governance Effectiveness Review undertaken by the Fund's IGAA.

## **2. Recommendation**

- 2.1 The Board should note the results of the survey as summarised in this report and detailed in the Aon Governance Effectiveness Review Report (dated 26 November 2021) which is an appendix to this report. The Board will discuss the findings and next steps with the IGAA and Fund Officers at the December PAB meeting.

### **3. Overview**

3.1 As part of the IGAA's review of the effectiveness of the Fund's governance, a survey was carried out in October 2021 asking PAB members views on 19 questions relating to areas including:

- Meeting Effectiveness;
- Accessibility, Format and Usefulness of Information;
- Knowledge, Understanding and Succession Management;
- The Board's role;
- The Independent Chairman's role;
- Summary and final comments.

3.2 All PAB members responded to the electronic survey.

### **4. Findings**

4.1 The findings show an overwhelmingly positive view of the governance of the Fund from PAB members. In the area of meeting effectiveness all PAB members felt they could ask questions and raise matters at meetings, that meeting length was sufficient with appropriate time available to consider relevant matters. The preference on approach to meetings shows a split in views with clear reasons from those preferring meetings in-person and those preferring a hybrid approach which is set out in more detail in the main report.

4.2 There were positive views from all members about the accessibility, format and usefulness of information provided to members to carry out their PAB role. Members feel they are given sufficient training, with those who recently carried out induction training finding it supported them with their new PAB responsibilities. Overall, all respondents feel they understand their PAB role. On the role of Chairman, all seven members of the PAB indicated meetings are well chaired.

4.3 Overall PAB members indicated that the effectiveness of governance of the Fund has either improved or stayed the same in the last two years with members comments highlighting an improvement in documentation and a strong relationship between the Chairman/Vice-Chairman and officers helping PAB effectiveness.

## **5. Next steps**

- 5.1 The report sets out the IGAA conclusions and a small number of areas from the survey findings that merit further discussion for consideration at the 15 December 2021 PAB meeting including meeting format, succession planning, meeting content and new Pension Regulator Code of Practice.
- 5.2 The outcome will be reported to the Essex Pension Fund Strategy Board (PSB) at their 23 March 2022 meeting to finalise the Governance Effectiveness Review.

## **6. Risk Implications**

- 6.1 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.

## **7. Communication Implications**

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

## **8. Finance and Resource Implications**

- 8.1 There are no financial or resource implications relating to the results of the review.
- 8.2 The cost of the Governance Effectiveness Review will be met from the existing 2021/22 Budget.







# Governance Effectiveness Review

## Summary of findings from the recent Pensions Advisory Board (PAB) Governance Effectiveness Survey

Prepared for: Jody Evans, Director for Essex Pension Fund and Amanda Crawford, Compliance Manager, Essex Pension Fund.

Prepared by: Karen McWilliam, Independent Governance and Administration Adviser, Mary Lambe, Senior Benefits and Governance Consultant, Aon

Date: 26 November 2021

# Introduction

As Independent Governance and Administration Advisor (IGAA) to the Essex Pension Fund, we are undertaking an independent review of the effectiveness of the Fund's governance.

## Effectiveness Survey

As part of this review, the effectiveness of the PAB is being considered and a survey was carried out to understand the views of the Pension Advisory Board (PAB) in the following areas:

- Meeting effectiveness
- Accessibility, format and usefulness of information
- Knowledge, understanding and succession management
- The Board's role
- The Independent Chairman's role
- Summary and final comments.

We had responses from all PAB members<sup>1</sup> (8 respondents), in online submissions, of which the consensus was overwhelmingly positive. The findings from the survey responses are set out below.

## Contents

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### Why bring you this report?

To share the findings from the recent survey that PAB members completed, which is a key input into the review of the effectiveness of the Fund's governance being undertaken by the Fund's IGAA.

### Next steps

The next steps include:

- Discuss the findings in this report
- Engage with the PAB about the findings of this report (December 2021)
- The IGAA will then produce a final report for the Pensions Strategy Board (PSB) (March 2022).

<sup>1</sup> There was one vacancy for a scheme member representative at the time the survey was completed.

# Summary of Survey Findings

The responses point to a very positive view of the effectiveness of the PAB.

## Who responded?

The survey was issued to all 8 members of the PAB (noting one scheme member representative vacancy existed at the time of the survey). As part of the survey members of the PAB were asked to answer 19 questions.

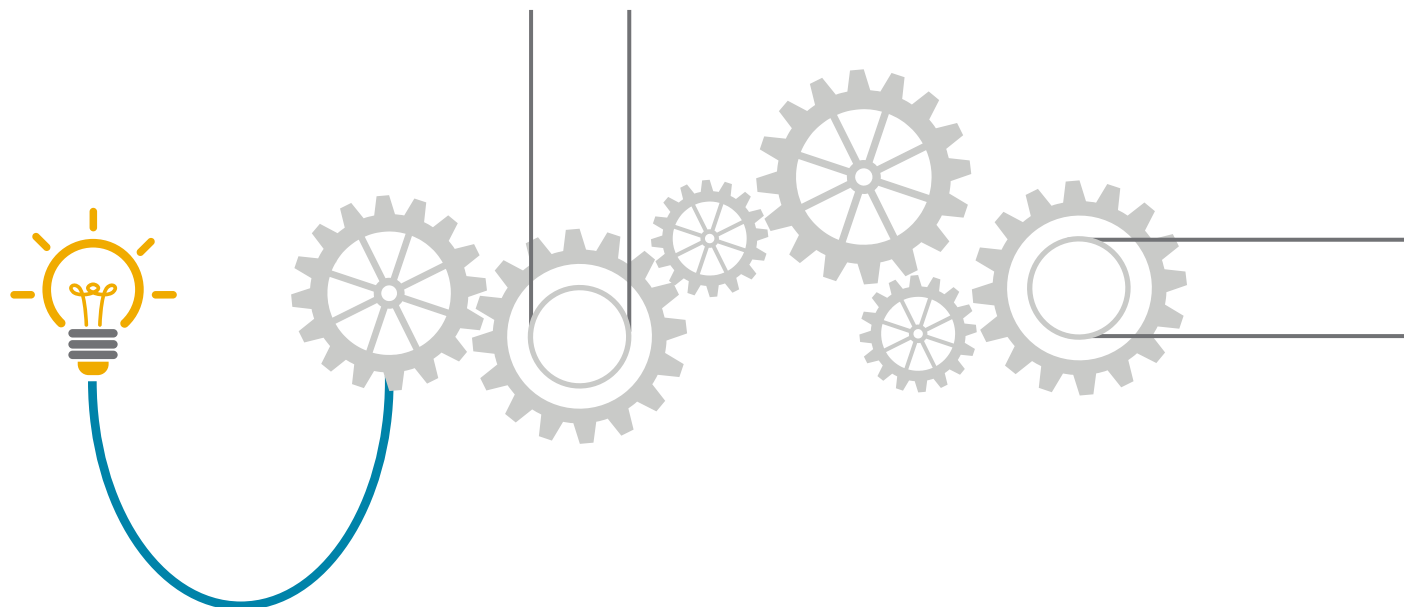
## Findings

The charts showing the survey results are included in the appendix and we have summarised the key findings from each of the sections below:

### Highlights

The overwhelming consensus across the PAB was very positive with no significant issues raised.

In respect of how meetings are held there were individual preferences, which is expected; for example there is an equal split preferring hybrid meetings and in-person meetings with clear rationale provided for those preferences.



## Meeting effectiveness



The overall view on the running of the PAB meetings was overwhelmingly positive. All PAB members stated that sufficient opportunity is provided to ask questions or raise concerns at PAB meetings, with everyone indicating their comfort raising questions irrespective of the simplicity of those questions. The length of meetings was also seen as sufficient by all members.

All PAB members felt that there was sufficient time for governance, administration and communication matters to be covered during meetings. One comment highlighted a desire to understand more about how the Fund communicates with its members, i.e. member self-service, roadshows/webinars etc.

In respect of question 2.5 there was an equal split of PAB members indicating a preference for all members attending meetings in-person and a hybrid approach (allowing members to choose whether to attend in-person or virtually). For the members preferring in-person attendance:

- two members felt this approach allows members to get to know each other better
- one mentioned greater ease of networking
- the fourth member indicated that it worked better for them and made them feel more engaged but they acknowledged that for some members it may not be a preferable approach.

In terms of those PAB members selecting a preference for hybrid

- three indicated it suited their work situation and was more convenient and that offering the opportunity of hybrid meetings offers the 'best of both worlds'
- the fourth member actually clarified in the comments that their preference is to attend in-person meetings but they also appreciated it would not be everyone's preference.

Accordingly, it does appear, in my view, that having the flexibility of hybrid meetings would be appropriate (at least some of the time).



### Accessibility, format and usefulness of information

All respondents were confident they understood the matters considered at PAB meetings. All members agreed that information was provided ahead of PAB meetings in a timely manner (with a comment noting this information was very good) and it allows them to effectively carry out their role on the PAB.



### Knowledge, understanding and succession management

All respondents indicated that they are given sufficient training in relation to relevant Pension Fund matters. Of the three members who indicated they joined recently they all felt the induction process was effective in supporting them in their new PAB responsibilities. Those three new members also felt the information they received when they applied to the Board gave them an appreciation of the commitment required for the role. One member mentioned that the one-to-one meetings with Fund Officers and electronic information provided was good. There was a further comment highlighting the challenges of succession planning, and the need to keep replacing elected members as they lost their seats or step down, as being concerning in relation to effective governance.



### The Board's role

All respondents indicated they understand their role and responsibilities on the PAB with all members also being aware of how to raise any relevant and appropriate items to the PSB via the PAB Chairman. Seven members answered question 5.3 about breakout groups (e.g., task and finish groups) with all agreeing they are an effective way of carrying out some of the PAB's business.



### The Independent Chairman's role

All Members, with the exception of the Independent Chairman, answered the questions in this area. All agreed the PAB meetings are well chaired, with one member stating, “the Chairman is extremely knowledgeable on the LGPS and allows ample opportunity for board members to raise questions and comments” and another member indicated that “I think the Chair/Vice Chair do a super job in chairing the meetings. When joining initially I had no experience of any Local Government Meetings and through the excellence of the Chair my understanding has improved”. All respondents also agreed that the Chairman provides them with the support they need (as outlined in the PAB Terms of Reference).

### Summary and Final Comments

All members stated that the effectiveness of governance of the Fund has either improved or stayed the same in the last two years. A number of positive comments were received in relation to this question including:

- noting improvements in documentation with them being easier to digest and explanations from Officers
- the relationship between the Chairman/Vice-Chairman and Officers helping PAB effectiveness
- the PAB has become more vocal in expressing areas of concern to the PSB.

Two members referenced PAB member turnover during the past two years and noted the need for new members to have time to bed into their role.



# Conclusions and next steps

As the IGAA to the Fund, I am delighted with the responses to the PAB effectiveness survey which demonstrates a high level of confidence in how the PAB is operating. I also am of the view that the PAB is effective and the dedication of the PAB members and of the officers managing and providing information to the PAB is excellent. The leadership and knowledge provided by the Chairman and Vice-Chairman are in my view a key element of the effectiveness of the PAB, as is the close working relationship between the PSB and the PAB.

There are a small number of areas within the survey that merit further consideration or action as summarised below:

- Meeting format – the long-term format of meetings should be considered (whether hybrid or in-person), and we know Fund Officers are already planning this work in 2022/23. If deemed necessary, the Board's Terms of Reference should be updated to reflect the any further amendments to these arrangements.
- Succession planning – Although succession planning has been highlighted as an area for further consideration it is an extremely difficult area to manage given the different challenges in appointing individuals to employer representative roles (some of which are elected members subject to local authority democratic process) and scheme member representative roles on the PAB.
- Meeting content – ensure PAB agenda(s) continue to include matters relevant to Members i.e. Scheme Member communications.

As I would expect, I understand that Fund Officers have already confirmed that the Pension Regulator's New Code of Practice will to be a focus for the PAB over a number of meetings, once it is released, given this is part of the statutory role of the PAB.

## IGAA final words

There is an overwhelming consensus from the PAB survey results showing an extremely positive picture of the effectiveness of the PAB. The views shared provide some valuable comments for consideration. I look forward to discussing these findings at the PAB in December 2021 and then further at the PSB in March 2022.

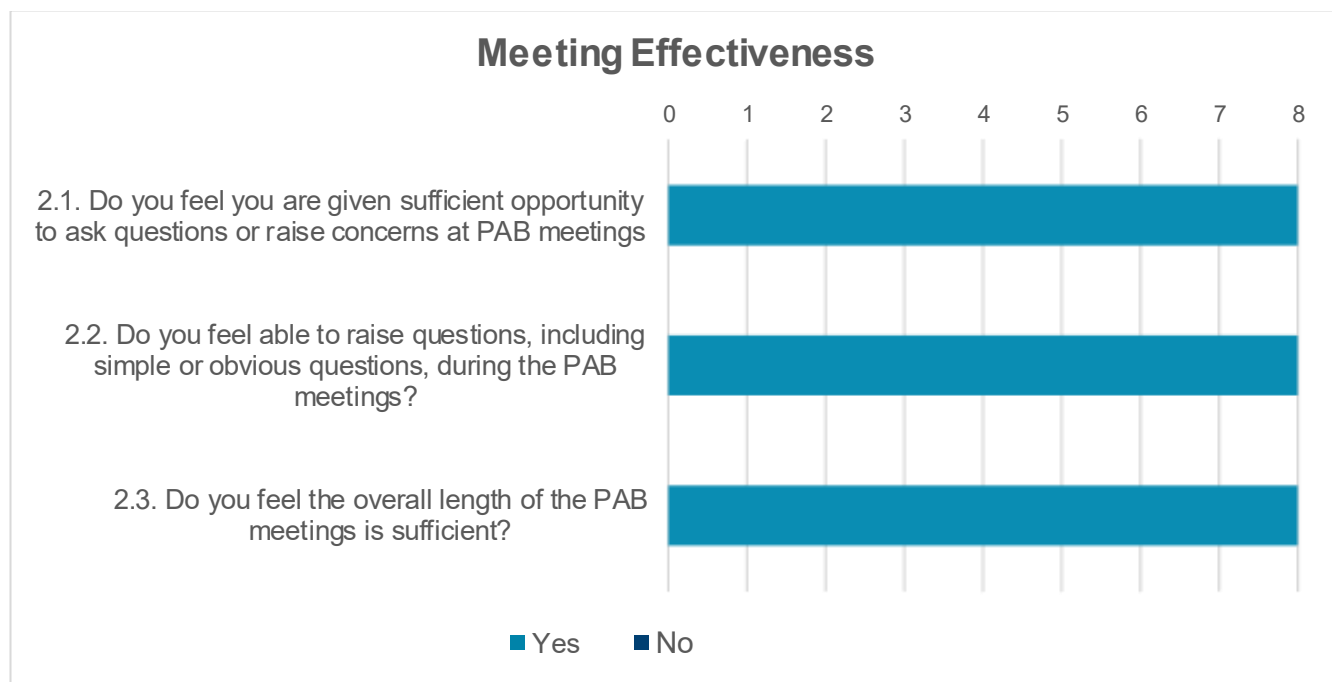
I would like to thank PAB members and officers of the Fund for their time and assistance in carrying out this survey.



# Appendix – Charts

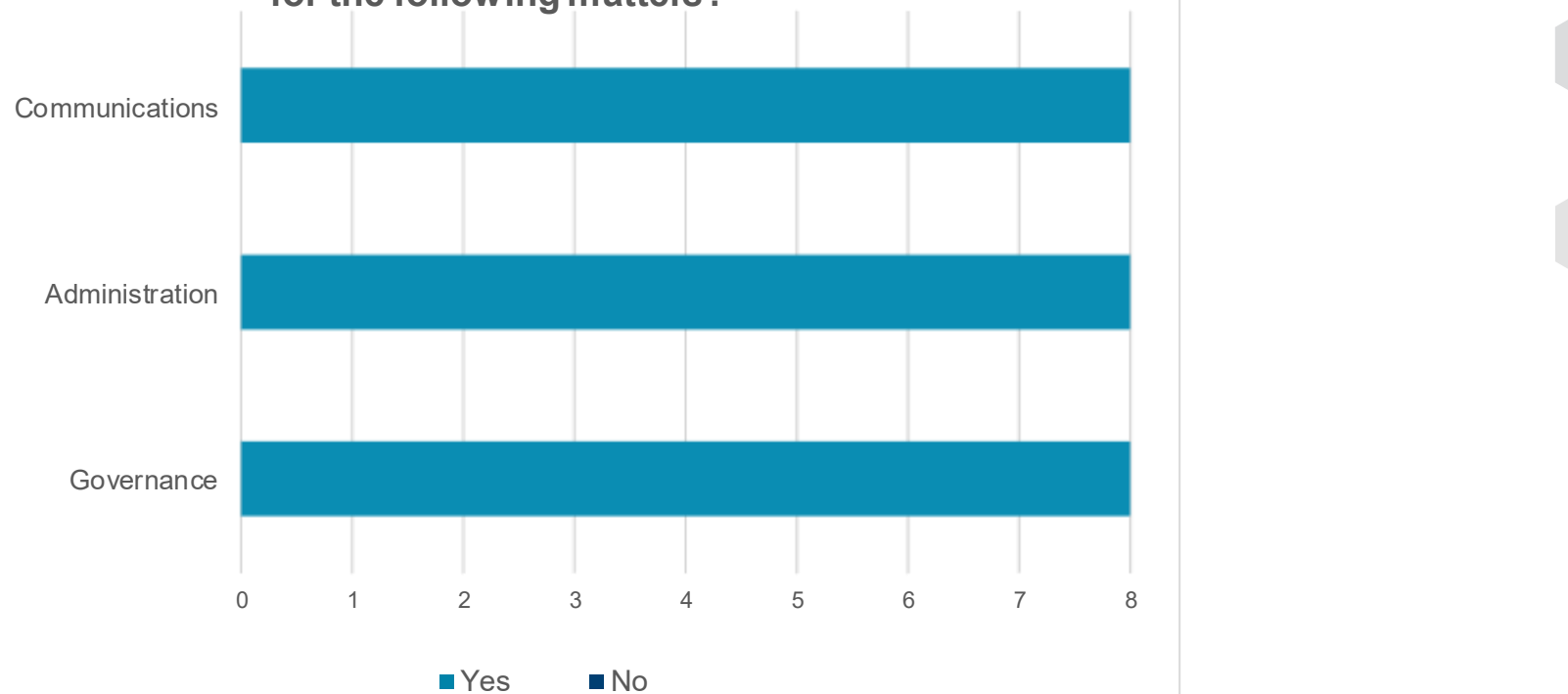
Charts showing the responses to the recent survey are shown below

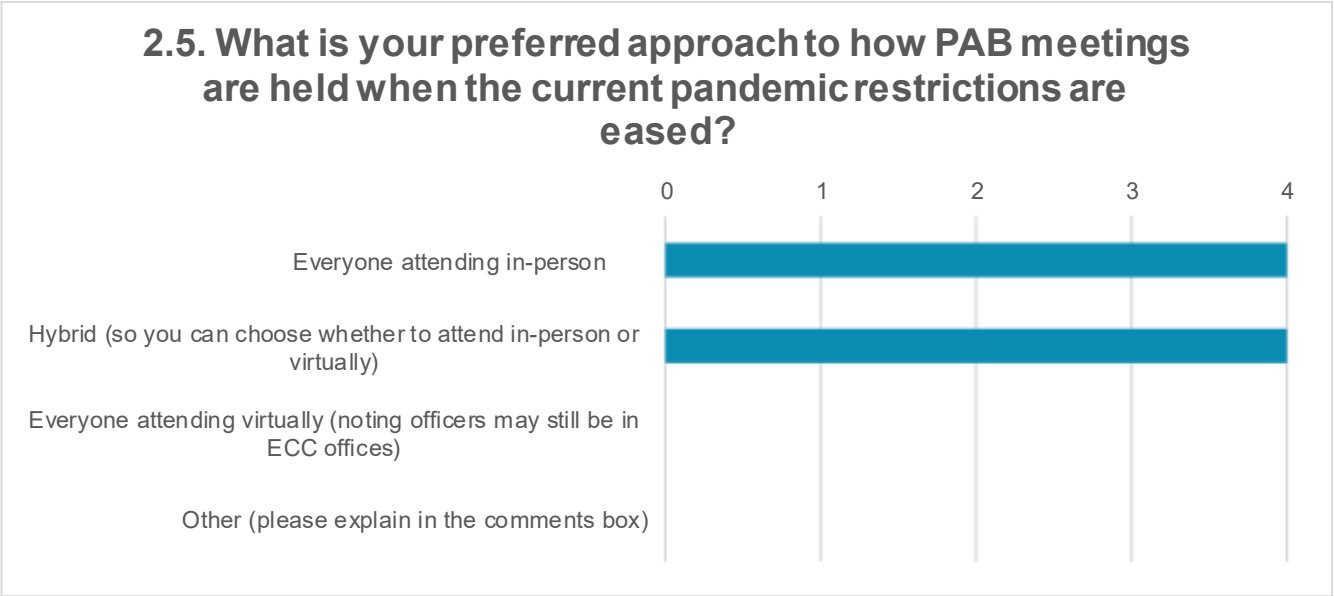
## Section 2 – Meeting Effectiveness



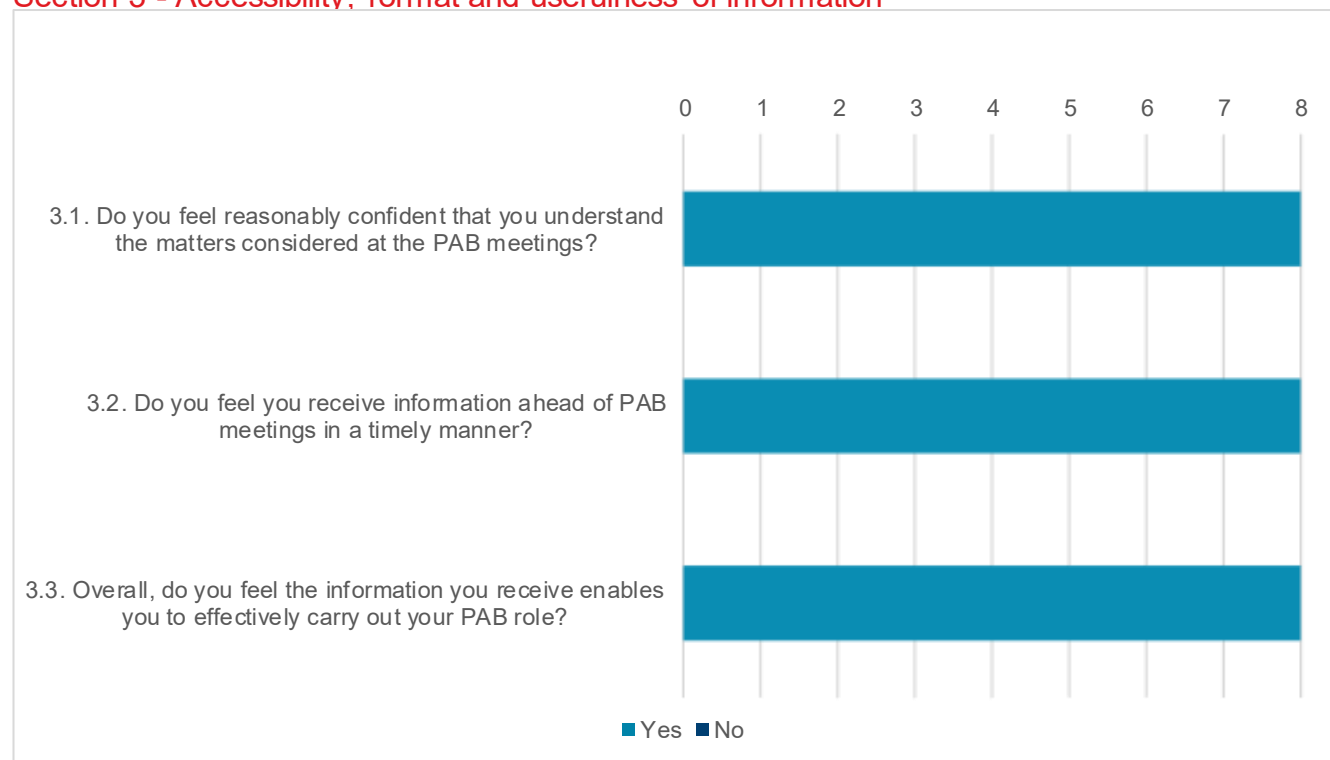


## 2.4. Do you feel the meetings overall allow sufficient time for the following matters?

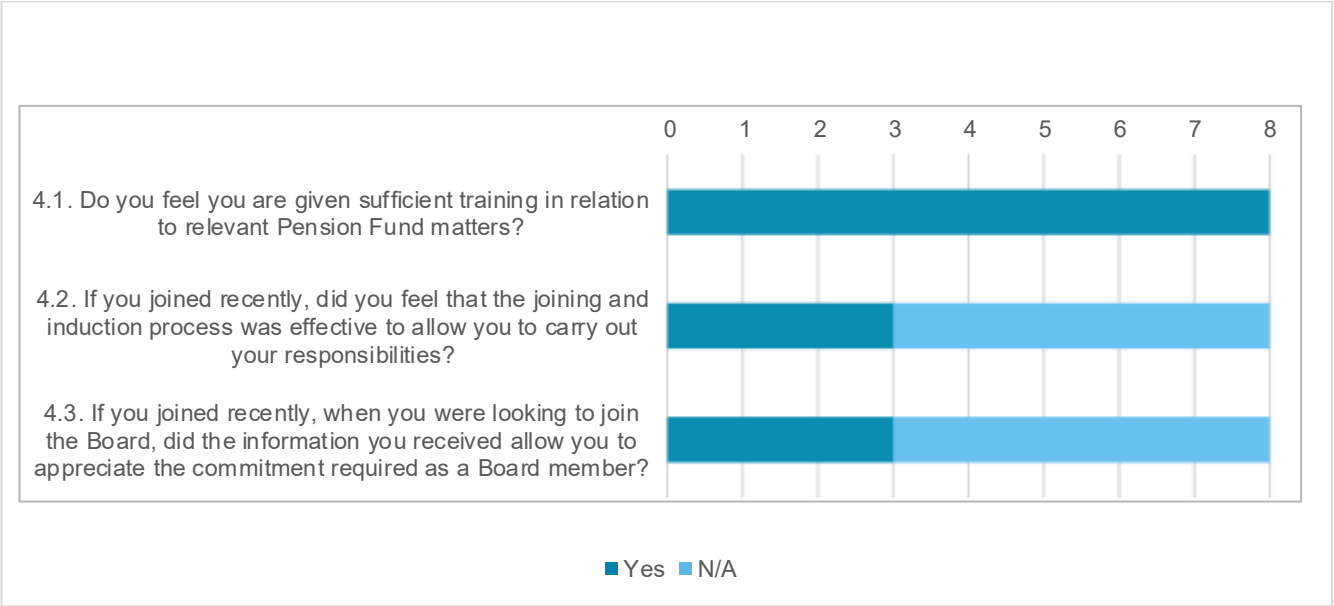




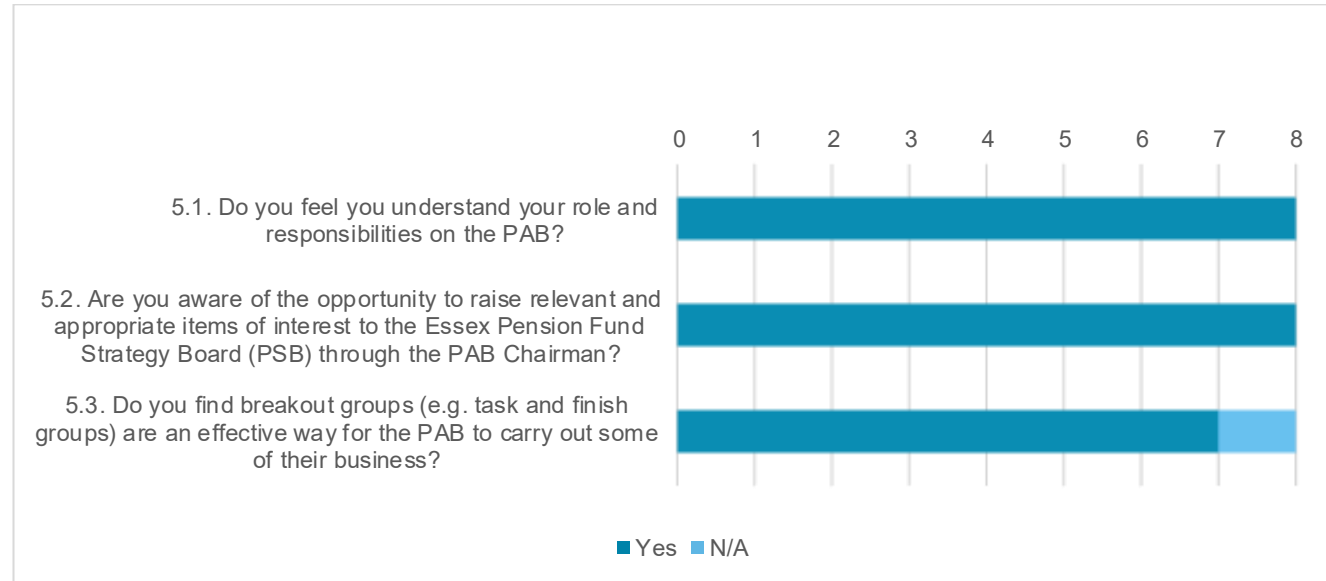
### Section 3 - Accessibility, format and usefulness of information



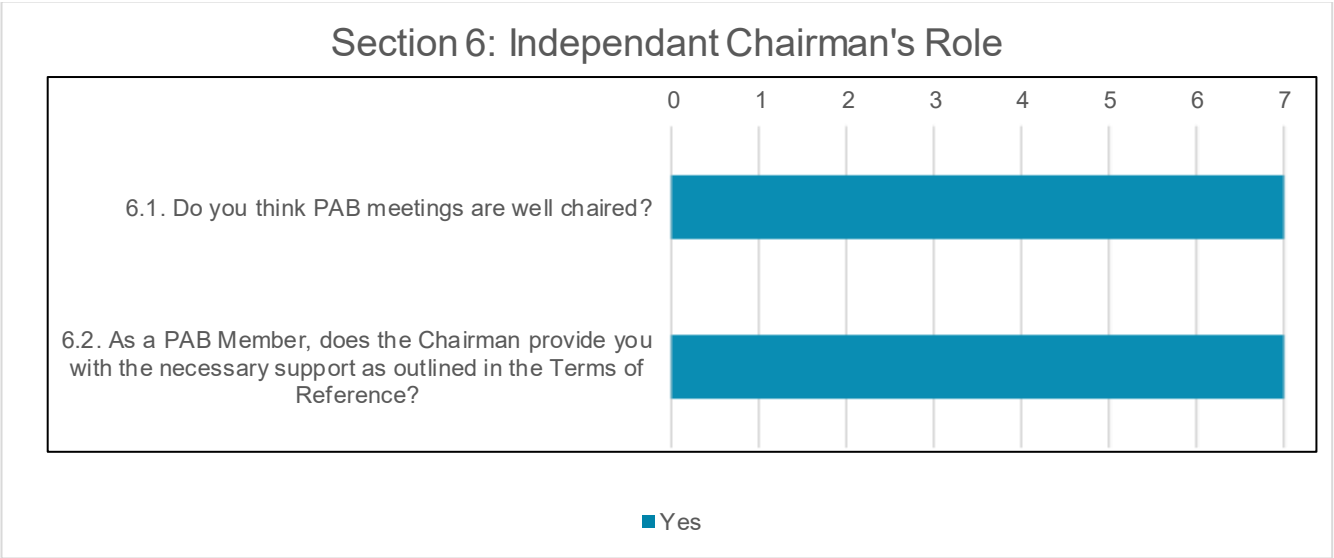
Section 4 – Knowledge, understanding and succession management



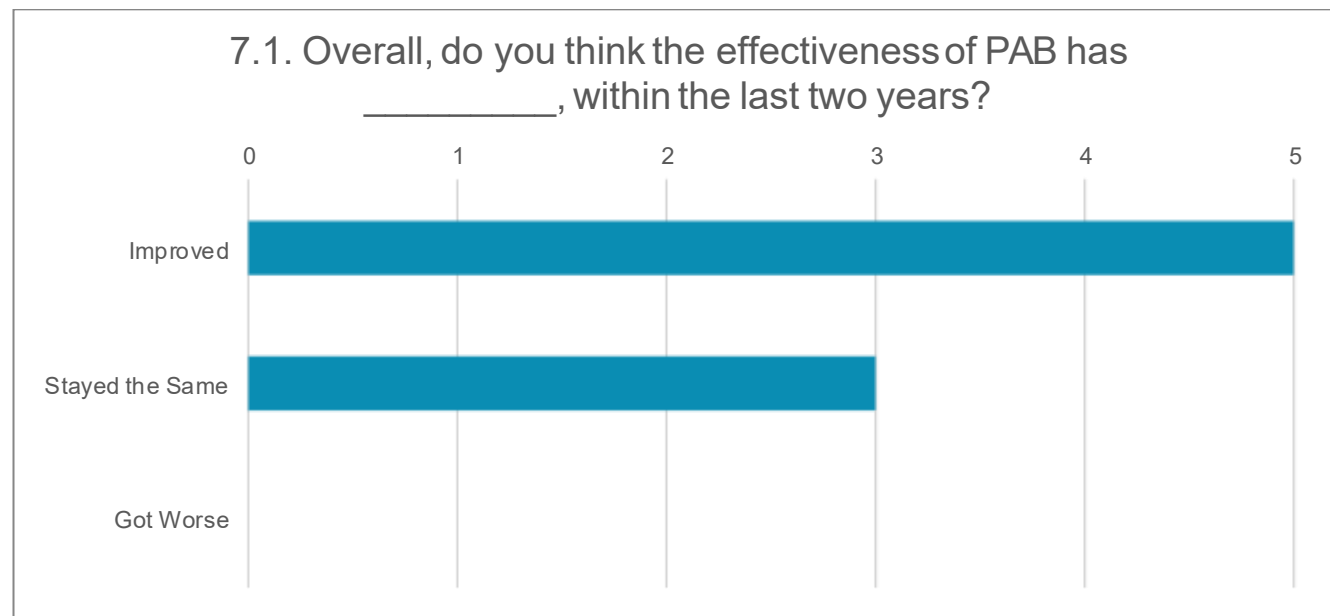
## Section 5 – The Board's role



Section 6 – The Independent Chairman’s role



## Section 7 – Summary and Findings





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<b>Essex Pension Fund Advisory Board</b>	<b>PAB 06</b>	
<b>Date: 15 December 2021</b>		

## **The Pensions Regulator (TPR) Code of Practice 14 Compliance**

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

**This Report is for noting**

### **Executive Summary**

This report provides the Board with the Fund's self-assessment compliance check against TPR's Code of Practice 14. The Fund has achieved 100% compliance for the second consecutive year.

## **1. Purpose of the Report**

- 1.1 To provide the Board with the results of the Fund's self-assessment compliance check against TPR's Code of Practice 14 assessment tool for Public Service Pension Schemes.

## **2. Recommendation**

- 2.1 The Board to note the content of the report.

### **3. Background**

- 3.1 TPR state that it is important for Scheme Managers to assess how they are running their public service pension scheme so that they can identify any areas in need of improvement.
- 3.2 It is expected that all schemes will carry out a thorough review of their scheme against legal requirements and the guidance in Code of Practice 14 and acknowledge that this requirement is a significant piece of work.
- 3.3 TPR's Code of Practice 14 provides Scheme Managers and Pension Board Members with their key governance and administration duties, standards of conduct and practice that TPR expect in relation to those duties, and practical guidance on how they can comply. A guide to the Public Service Code is provided at Appendix A which contains information where to find the full version of Code 14.
- 3.4 To enable Scheme Managers to assess their level of compliance to the Code, TPR have produced a tool which sets out some processes, tools and actions they expect to see in a well-run scheme.
- 3.5 The tool provides an indicative risk rating for the scheme in certain key areas, as well as guidance and links to further information. It also provides a template for the Scheme Manager to create a plan to address any issues identified and to help the Scheme Manager achieve best practice.

### **4. Assessment**

- 4.1 Fund Officers provided the Board with the Fund's 2020 self-assessment at their 16 December 2020 meeting. During that time the Fund's results were 100% compliant in all areas.
- 4.2 Fund Officers have conducted the 2021 self-assessment, again using the Assessment Tool provided by TPR and have attached the Results at Appendix B along with an Action Plan at Appendix C of this report. The Board should note that the Fund has once again achieved 100% compliance in all areas.
- 4.3 The report will also be shared with the PSB as part of the PAB Quarterly Report update at their March 2022 meeting.

## **5. The Singular Modular Code**

- 5.1 Due to the delays in the publication of the new Singular Modular Code, which is now not expected until early 2022, the Fund have used the current Code of Practice 14 to undertake this year's assessment but envisage that this is likely to be the last assessment against this Code. It is expected that due to the nature and complexity of the new Code, the next assessment will be far more comprehensive and time consuming for Fund Officers to complete.
- 5.2 As and when more information in relation to the new Singular Modular Code becomes available the Fund will notify the Board.

## **6. Link to Essex Pension Fund Objectives**

- 6.1 Conducting a self-assessment against TPR Code of Practice 14 will assist the Board in achieving the following Fund objectives:
- Act with integrity and be accountable to our stakeholders;
  - Ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise; and
  - Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

## **7. Risk Implications**

- 7.1 Failure to comply with TPR Code of Practice 14 could result in:
- Failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage;
  - A lack of expertise, insufficient knowledge and maintenance of the PSB, ISC and PAB arising out of high turnover and/or changes within the LGPS benefit structure, regulations and associated directives/deliverables; and
  - Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/LGPS reforms and systems not kept up-to-date leading to reputational damage and financial loss.

## **8. Communication Implications**

- 8.1 Other than ongoing reporting to the Board, there are no communications implications.

## **9. Finance and Resources Implications**

- 9.1 None.

## **10. Background Papers**

- 10.1 The Pensions Regulator: Code 14: Governance and Administration of Public Service Pension Schemes.
- 10.2 TPR Code of Practice 14 Compliance, PAB 06, 16 December 2020.
- 10.3 TPR Code of Practice 14 Compliance, PAB 05, 15 January 2020.



# The essential guide to the public service code

**Code of practice no. 14 – Governance and administration of public service pension schemes** helps you understand how to approach the administration and governance of a public service scheme. The full version of the code can be viewed at [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14).

This essential guide provides an overview of the code and gives details of where to go to find out more. It can help you use the code but is obviously not exhaustive and it's not a substitute for reading the full code – which we expect all those involved with public service schemes to do.

## What is a code of practice?

Codes help the people who run pension schemes fulfil their legal duties. They aren't statements of the law, but they outline an approach that schemes can take to complying with the law. The courts have to take account of codes when considering whether legal requirements have been met, and we may refer to them when we exercise our powers.

**Code of practice no. 14 – Governance and administration of public service pension schemes** (the public service code) was laid before Parliament in January 2015.

## The public service code

This code provides scheme managers and pension board members with a summary of their key governance and administration duties, standards of conduct and practice we expect in relation to those duties, and practical guidance on how they can comply.

# Governance

## Knowledge and understanding

It's crucial that the people responsible for public service schemes know how to govern them as efficiently and effectively as possible. At the most basic level, pension board members need to understand how the scheme works so that they can effectively assist the scheme manager. However, there is a specific requirement for pension board members to have knowledge and understanding of the following areas:

- the scheme rules, eg eligibility for the scheme and scheme benefits
- documented administration policies, eg risk assessments/management, reporting breaches, keeping records and the responsibilities of the scheme manager, the pension board and individual pension board members, and
- the law relating to pensions eg relevant law that applies to their scheme.

There are also other areas that need to be understood if a scheme is to be governed well.

Schemes should keep track of training and other learning activities undertaken by board members and there should be someone responsible for ensuring that a training programme is developed and implemented. This should include preparing a list of the documents that pension board members need to be familiar with.

Pension board members should invest time in their learning and development and regularly undertake a personal training needs analysis to review their skills and knowledge.

Our e-learning programme can help meet the needs of pension board members, whether or not they have access to other learning.

## Conflicts of interest

It's important to be aware of any potential conflicts of interest on a pension board. A conflict of interest occurs when an individual has another interest which is likely to prejudice the way they carry out their role as a pension board member.

The scheme manager of a public service scheme must be satisfied that no pension board member has a conflict of interest. Schemes should have an agreed and documented policy which includes identifying, monitoring and managing potential conflicts of interest.

## Representation on pension boards

Having a variety of people and representation on the pension board should help to ensure that pension board discussions or decisions take into account the views and interests of those involved in the scheme.

Pension boards must have an equal number of employer and member representatives. It is also important for schemes to consider the mix of skills and experience needed on their pension boards so that they operate effectively.

See the chapter of the code entitled 'Governing your scheme' for more detailed information about knowledge and understanding, conflicts of interest and representation on pension boards.

# Risk

## Internal controls

Good internal controls are crucial. These are the arrangements, systems and procedures that the scheme has in place for scheme administration and management, overseeing that administration and management, and the security of scheme assets. Scheme managers must establish and operate controls which are adequate for ensuring that the scheme is administered and managed in line with the scheme rules.

Internal controls can help protect schemes from risks which could be detrimental to the scheme and the members if they are not addressed.

Schemes should ensure that sufficient time and attention is spent identifying, evaluating and managing risks. This includes developing and monitoring the controls that they use to keep these risks in check.



All schemes should carry out a risk assessment. Start by:

- setting out the objectives of the scheme
- identifying the activities that are carried out in the course of running the scheme, and
- pinpointing the main risks that could mean that the objectives and activities aren't met or delivered.

Not all risks are equal. Consider how likely they are to occur and the impact that they could have when deciding an order of priority for managing risks. Schemes should focus on risks where the likelihood and impact of one materialising is high.

Once risks are identified and assessed, they should be recorded in a risk register and reviewed regularly. For each risk there should be one or more internal controls to address it. See the chapter of the code entitled 'Managing risks' for more detailed information.

## Administration

### Keeping records

Complete, accurate and up-to-date records are key to the effective administration of a public service scheme. Good records make it easier to communicate, allocate contributions and pay benefits to the right people at the right time, without making costly mistakes. Scheme managers must keep the records set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.

To ensure that the appropriate records are kept, they should be discussed and reviewed regularly. If there are problems with scheme records, there should be a plan to resolve them. Doing this early can save significant expense later.

It's important to regularly evaluate the accuracy of member records and that the scheme receives timely and accurate member updates from participating employers.

Schemes should review records at least annually, which should include an assessment of the accuracy and completeness of the information held. If a scheme outsources the management of records there must be effective controls in place to ensure the integrity of those records.

## Maintaining contributions

Receiving accurate contributions on time is very important. Contributions that are late or go unpaid may need to be reported to us.

Where member contributions are deducted from their pay, the amount deducted must be paid to the scheme by the 19th day of the month following the deduction (or by the 22nd day if paid electronically).

Employer contributions must be paid to the scheme in line with any requirements in the scheme regulations.

A public service scheme should have an effective process to identify and resolve payment failures with the employer. If scheme managers think that a payment failure is likely to be of material significance to us then it must be reported to us.

## Providing information to members

The information communicated to members will affect the decisions they make about their pension. This, in turn, can have a major bearing on the value of their pension.

Communications to members should be clear and easy to understand. They should avoid jargon and recognise that many members may not be familiar with financial words and phrases.

A range of methods to provide general information to members can be used, including post and email, although in some cases a particular method must be used, and in others a specific procedure must be followed before providing information electronically.

There is some specific information which must be provided to members (or prospective members), like basic scheme details when they join and annual statements showing the value of their benefits. Other information, for example about transfer credits or the constitution of the scheme, must be provided upon request from members (or others) (unless an exemption applies).

See the chapter of the code entitled 'Administration' for more detailed information on record-keeping, maintaining contributions and providing members with information.

# Resolving issues

Whether it relates to a breach of the law or a complaint from a member, issues that arise in public service schemes should be dealt with promptly and effectively.

## Internal disputes

Schemes must have an internal dispute resolution procedure (IDRP) to help resolve issues raised by members and others with an interest in the scheme. The IDRP can have one or two stages and decisions must be made and communicated within a reasonable period of the issue being raised under IDRP. The IDRP must state how someone can apply to have a pension dispute resolved (including any time limits), the details which must be included, and how and by when decisions are to be reached.

Members and others who make a complaint must be given information about The Pensions Advisory Service when the complaint is received, and the Pensions Ombudsman, when the decision is given, who may be able to help them.

## Reporting breaches of the law

It's important that breaches of the law are identified and assessed quickly, and reported if necessary. Scheme managers and pension board members (amongst others) must report breaches which they consider likely to be of material significance to us, so there should be effective procedures to enable them to identify and assess breaches. These should include giving those involved with public service schemes the opportunity to raise concerns, consider risks, and where necessary submit a report within an appropriate timescale. Do not wait for someone else to report.

We have an online service called **Exchange** where reports can be made. If they don't use **Exchange**, schemes should report to us by post, email or fax. We will not disclose information reported to us except where we are required to do so by a court and we'll take all reasonable steps to maintain reporter confidentiality.

See the chapter of the code entitled 'Resolving disputes' for more detailed information about the dispute and breach procedures that should be in place.

This document relates to Code of practice no. 14 – Governance and administration of public service pension schemes, which has been laid before Parliament and the Northern Ireland Assembly. The code is currently subject to Parliamentary and Assembly procedure and has no legal effect until it is brought into force by order. This document should be read in the light of this.

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### **An essential guide to the public service code**

Information for scheme managers and pension board members

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Results

Using this report

In this report we have provided an indicative risk rating for each answer you selected, alongside some guidance and links to additional information. This report does not provide an assessment of compliance with the law – it indicates areas that might be of particular concern and where you may wish to focus. You should seek legal advice where required.

To minimise the risk of non-compliance with the law, you should conduct a comprehensive review of your scheme against the requirements set out in the legislation and the guidance provided in our code of practice. Statistics refer to findings from TPR’s 2015 survey into the Governance and Administration of Public Service Schemes.

A summary of your results



## Results - Governing your scheme

Question 1 - Have you clearly defined and recorded the roles and responsibilities of the pension board?		
Your Answer:	Yes	Green
Feedback:	<p>You should keep roles and responsibilities under review, in particular considering any changes to scheme regulations or working arrangements (eg where certain functions are delegated by the scheme manager). Roles and responsibilities should be made clear during the board member appointment process, so they are clear about what is expected of them and what the role entails.</p> <p>You should also ensure these are communicated and understood by relevant parties such as the administrator, members or in the case of local government pension schemes, the pension committee, eg by publishing them alongside other pension board information.</p>	

Question 2 - Have you published information about the pension board and ensured it is kept up to date?		
Your Answer:	Yes – we publish information to legal requirements and provide additional information about the pension board and board business	Green
Feedback:	<p>Our code of practice sets out examples of additional information you may wish to consider publishing if you don't already do so. You should monitor all published data to ensure it remains accurate and complete.</p> <p>You should also ensure that the information is suitably accessible – it should be available to all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it. Further information is on our website.</p>	
Useful Links:	<a href="#">Code of Practice 14: Publishing information about schemes</a> <a href="#">Website: Publishing scheme information</a>	

### Question 3 - Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding?

Your Answer:	Yes	Green
Feedback:	<p>Clearly defined policies and arrangements can help board members meet their legal obligations around knowledge and understanding. Four in five public service schemes have put such arrangements in place.</p> <p>You should keep your processes under regular review to ensure they remain effective and fit for purpose.</p>	
Useful Links:	<a href="#">Code of Practice 14: Knowledge and understanding required by pension board members</a>	

### Question 4 - Do you use the following for your pension board?

#### a) Training Plans

Your Answer:	Yes	Green
Feedback:	<p>Board members should regularly review their skills, knowledge and competencies to identify gaps and weaknesses, and should invest sufficient time in their learning and development.</p> <p>Many schemes use pension board training plans to help board members acquire and retain knowledge and understanding. If you don't already do so, you may wish to consider the use of individual training plans as the training needed may vary according to each member's role and expertise. Further information is in our code and our quick guide to personal development.</p>	

b) Individual training needs analysis		
Your Answer:	Yes	Green
Feedback:	<p>Using individual training needs analysis can help board members identify specific individual training needs.</p> <p>Training is an important part of the pension board members' role and they should invest sufficient time in their learning and development alongside their other responsibilities and duties. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.</p>	
c) Training log		
Your Answer:	Yes	Green
Feedback:	<p>Many schemes use training logs to help board members track their learning. They help you demonstrate steps you have taken to comply with legal requirements.</p> <p>You should regularly review the training log to ensure that risks associated with knowledge gaps are being mitigated. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.</p>	
Useful Links:	<a href="#">Code of Practice 14: Knowledge and understanding required by pension board members</a> <a href="#">Quick guide to personal development</a> <a href="#">Template: Assessing your Learning Needs</a>	



**Question 5 - Do you have a conflicts policy and procedure for pension board members?**

Your Answer:	Yes	Green
Feedback:	<p>Nine in ten public service schemes have put conflicts policies and procedures in place for board members. These help identify, monitor and manage any interests that have the potential to become conflicts.</p> <p>You should review the policy and procedures regularly to ensure they remain fit for purpose.</p>	
Useful Links:	<a href="#">Code of Practice 14: Conflicts of interest and representation</a>	

**Question 6 - Do you have a register of interests (or equivalent)?**

Your Answer:	Yes	Green
Feedback:	<p>A register is a simple and effective way of recording and monitoring interests.</p> <p>Conflicts should be included as an opening agenda item at pension board meetings and you should capture decisions about how to manage potential conflicts. The register of interests should be circulated to the pension board for ongoing review and published, for example on a scheme's website.</p>	
Useful Links:	<a href="#">Code of Practice 14: Conflicts of interest and representation</a>	

## Results - Managing risks and issues

Question 1 - Do you have procedures in place for assessing and managing risk?		
Your Answer:	Yes	Green
Feedback:	<p>You should review your processes regularly to ensure they remain effective and fit for purpose. Seven in ten public service schemes aim to review the effectiveness of their risk management and internal controls systems at least annually. Our code provides practical guidance on risk management to consider in your review.</p>	
Useful Links:	<a href="#">Code of Practice 14: Managing risks</a> <a href="#">Checklist: Internal Controls</a>	

Question 2 - Do you have a risk register?		
Your Answer:	Yes	Green
Feedback:	<p>You should review risks regularly. Three in five public service schemes assess risks at least every quarter.</p> <p>The risk register, and any other internal controls you put in place, should be kept under review to ensure that they remain effective and fit for purpose.</p>	
Useful Links:	<a href="#">Code of Practice 14: Managing risks</a> <a href="#">Example Risk Register</a>	

### Question 3 - Where you have outsourced services, do you ensure that providers demonstrate that they have internal controls in place?

Your Answer:	Yes	Green
Feedback:	<p>You should review the effectiveness of your internal controls regularly, including those of your outsourced service providers.</p> <p>You should ensure that you receive sufficient assurance from providers on the services they provide – it should be sufficiently detailed and comprehensive for you to properly assess the effectiveness of their internal controls. Our code provides further guidance on internal controls.</p>	
Useful Links:	<a href="#">Code of Practice 14: Managing risks</a>	

### Question 4 - Do you have a service level agreement, or equivalent, in place with your scheme administrators, whether in house or outsourced?

Your Answer:	Yes	Green
Feedback:	<p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered.</p> <p>You should ask the administrator to attend relevant meetings, as this will help you better understand the administration function and identify improvements.</p> <p>You should regularly monitor the performance of your administrator against documented targets and take steps to address areas of poor performance.</p>	
Useful Links:	<a href="#">Code of Practice 14: Managing risks</a>	

**Question 5 - Are your internal dispute resolution arrangements clearly communicated to members and others?**

Your Answer:	Yes	Green
Feedback:	<p>You should consider using a variety of ways to communicate your arrangements to members, for example in joining booklets, benefit letters or decision letters. Schemes should also make their arrangements accessible to potential applicants, for example by publishing them on a scheme website, as some public service schemes do.</p> <p>You should ensure that the effectiveness of the arrangements is assessed regularly. Further information on internal dispute resolution is available in our code.</p>	
Useful Links:	<a href="#">Code of Practice 14: Internal dispute resolution</a>	

**Question 6 - Do you have procedures in place to identify, assess and report breaches of the law?**

Your Answer:	Yes	Green
Feedback:	<p>You should review your procedures regularly so they remain effective and fit for purpose. Some pension boards have made breach monitoring a standing agenda item, where they review all breaches (whether significantly material or not) to track progress and ensure issues are addressed.</p> <p>If a breach does occur and you think it is of material significance to us, you should report it to us as soon as possible. Don't wait for the issue to be resolved. Our code details information you should include in a report.</p>	
Useful Links:	<a href="#">Code of Practice 14: Reporting breaches of the law</a>	

## Results - Administration

### Question 1 - Do you have a process in place to ensure that information is provided to TPR as required (eg through the scheme return)?

Your Answer:	Yes	Green
Feedback:	<p>You must provide us with certain information and keep this information up to date, and complete a scheme return when asked.</p> <p>To help you meet your legal obligations, you should provide us with a 'scheme contact' via our online portal Exchange and make sure this information is kept up to date in light of role changes. Larger schemes may wish to provide several people with access to Exchange.</p>	
Useful Links:	<a href="#">Website: Reporting requirements</a> <a href="#">Exchange</a>	

### Question 2 - Do you have processes in place to monitor scheme records for all membership types on an ongoing basis and ensure they are accurate and complete?

Your Answer:	Yes	Green
Feedback:	<p>Processes should cover all membership types and you should review your these regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code and on our website.</p>	
Useful Links:	<a href="#">Code of Practice 14: Scheme record-keeping</a> <a href="#">Website: Types of records to keep</a>	

### Question 3 - Do you have controls in place to ensure that your employer(s) provides timely, accurate and complete data?

Your Answer:	Yes	Green
Feedback:	<p>Receiving good data from your employer(s) is key to your ability to maintain accurate scheme records. Though nine in ten public service schemes require employers to provide timely, accurate and complete data, schemes have reported that a significant proportion of employers do not provide this as a matter of course. This can create significant record-keeping issues, even in single employer schemes.</p> <p>You should work with employers to ensure that scheme and employer processes are effective and fit for purpose. Our guide to issuing annual benefit statements highlights examples of best practice for communicating and working with employers.</p>	
Useful Links:	<a href="#">Code of Practice 14: Scheme record-keeping</a> <a href="#">Quick guide to issuing annual benefit statements</a>	

### Question 4 - When did you last carry out a data review exercise?

Your Answer:	Within the last year	Green
Feedback:	<p>You should continue to carry out a data review at least annually. Data records should be additionally reviewed and cleansed when you change administrator or administration system/platform.</p> <p>Further information on record-keeping can be found in our code and on our website.</p>	
Useful Links:	<a href="#">Code of Practice 14: Scheme record-keeping</a> <a href="#">Website: Types of records to keep</a>	

**Question 5 - Where you have identified poor quality or missing data, do you have an improvement plan to address issues?**

Your Answer:	Yes	Green
Feedback:	Your plan should have specific data improvement measures that you can monitor and an end date within a reasonable timeframe when the scheme will have complete and accurate data.	

**Question 6 - Do you have processes in place for monitoring scheme contributions, resolving issues and assessing whether to report payment failures to TPR?**

Your Answer:	Yes	Green
Feedback:	You should review your processes regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code and our Managing contributions checklist.	
Useful Links:	<a href="#">Code of practice 14: Maintaining contributions</a> <a href="#">Checklist: Managing contributions</a>	

### Question 7 - Have you reviewed your processes for issuing annual benefit statements to ensure they are fit for purpose?

Your Answer:	Yes	Green
Feedback:	<p>You should proactively address issues that arose in the previous year and ensure remedial work is completed before the next cycle. You should also consider reporting on the lessons learnt, for example to the pension board, employers or members.</p> <p>Some best practice examples to consider for future reviews are included in our guide to issuing annual benefit statements.</p>	
Useful Links:	<a href="#">Quick guide to issuing annual benefit statements</a>	

### Question 8 - Have you taken steps to ensure that member communications are clear, accurate and easily accessible?

Your Answer:	Yes	Green
Feedback:	<p>You should regularly review your member communications to ensure members are able to engage with their pension savings. You can find out about members' information needs and their views on your communications in a number of ways - by speaking to employee representatives on the pension boards, listening in on calls to the administrator, undertaking member surveys or even organising focus groups.</p>	



## Action plan

### Using this action plan

You can use this section to set out the actions you are planning to take to address any risks identified in your results report, or actions you will take to help you achieve best practice.

You should review progress against this plan regularly. To help you do so, you can put in a review date against each action.

## Action plan - Governing your scheme

Question 1 - Have you clearly defined and recorded the roles and responsibilities of the pension board?		
Your Answer:	Yes	
Scheme Action Plan:	The annual review of the Terms of Reference for the Essex Pension Fund Advisory Board (PAB) was carried out at the beginning of this Financial Year and was reported to the Essex Pension Fund Strategy Board (PSB) at their 07 July 2021 meeting. The PAB subsequently noted their Terms of Reference at their meeting also held on 07 July 2021.	
Review Date:	Q2 2022	
Question 2 - Have you published information about the pension board and ensured it is kept up to date?		
Your Answer:	Yes – we publish information to legal requirements and provide additional information about the pension board and board business	
Scheme Action Plan:	The review of the Governance Policy and Compliance Statement was undertaken in early 2021 and was approved by the PSB at their 17 March 2021 meeting.	
Review Date:	Mar-24	

**Question 3 - Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding?**

Your Answer:	Yes	
Scheme Action Plan:	The Fund reviewed the Knowledge and Skills Strategy for Board/Committee Members during 2020 which was for approved by the PSB at their 16 December 2020 meeting. Fund Officers monitor Members training against the Strategy and Two-Year Training Plan using a Training Log and encourage Members to attend various conferences and seminars throughout the year.	
Review Date:	Dec-23	

**Question 4 - Do you use the following for your pension board?**

**a) Training Plans**

Your Answer:	Yes	
Scheme Action Plan:	The Board are updated on progress against the Two-Year Training Plan periodically at the PSB meetings. In addition, all Members of the Board were provided with their Individual Training Plans during September 2021 as a result of their Individual Training Needs Analysis one to one meetings with the Director for EPF.	
Review Date:	Sep-23	

**b) Individual training needs analysis**

Your Answer:	Yes	
Scheme Action Plan:	All Board/Committee Members have completed their Individual Training Needs Analysis. One to one meetings have been held with the Director for EPF which has assisted in the production of Individual Training Plans.	
Review Date:	Sep-23	

**c) Training log**

Your Answer:	Yes	
Scheme Action Plan:	The Fund maintain a Training Log of all Board/Committee Members training and use this information to update the Fund's Scorecard on a quarterly basis which is reported to each PSB meeting.	
Review Date:	Sep-23	

Question 5 - Do you have a conflicts policy and procedure for pension board members?		
Your Answer:	Yes	
Scheme Action Plan:	The PSB approved the Fund's Conflict of Interest Policy at their 4 March 2020 meeting.	
Review Date:	Mar-23	

Do you have a register of interests (or equivalent)?		
Your Answer:	Yes	
Scheme Action Plan:	This is maintained by the Fund's Compliance Team and is updated after each PSB, ISC and PAB meeting.	
Review Date:	Ongoing	

## Action plan - Managing risks and issues

Question 1 - Do you have procedures in place for assessing and managing risk?		
Your Answer:	Yes	
Scheme Action Plan:	The Fund have a Risk Strategy that was approved by the PSB at their 23 September 2020 meeting.	
Review Date:	Sep-23	

Question 2 - Do you have a risk register?		
Your Answer:	Yes	
Scheme Action Plan:	The Fund have a Risk Register which is maintained and updated on a continuous process. EPF Officers liaise with the Compliance Team to highlight any new risks as and when required. Risk are continually monitored and assessed by the Management Team but formally on a quarterly basis at their MT Meeting.	
Review Date:	Ongoing	

Question 3 - Where you have outsourced services, do you ensure that providers demonstrate that they have internal controls in place?		
Your Answer:	Yes	
Scheme Action Plan:	Fund Officers liaise with all 3rd party suppliers to ensure their mitigation actions are captured within the Fund's Risk Register.	
Review Date:	Ongoing	

**Question 4 - Do you have a service level agreement, or equivalent, in place with your scheme administrators, whether in house or outsourced?**

Your Answer:	Yes	
Scheme Action Plan:	A contract with CIVICA is monitored by the Systems Manager and Compliance Manager to ensure compliance against KPIs and the required Service Levels.	
Review Date:	Ongoing	

**Question 5 - Are your internal dispute resolution arrangements clearly communicated to members and others?**

Your Answer:	Yes	
Scheme Action Plan:	This is published on the Fund's Website and on all Retirement Letters.	
Review Date:	Ongoing	

**Question 6 - Do you have procedures in place to identify, assess and report breaches of the law?**

Your Answer:	Yes	
Scheme Action Plan:	The Fund have a Policy for the Recording and Reporting of Breaches of the Law which was approved by the PSB at their 23 September 2020 meeting.	
Review Date:	Sep-23	

## Action plan - Administration

### Question 1 - Do you have a process in place to ensure that information is provided to TPR as required (eg through the scheme return)?

Your Answer:	Yes	
Scheme Action Plan:	The Technical Hub Manager and Compliance Manager ensure all TPR returns are completed by the deadlines provided.	
Review Date:	Ongoing	

### Question 2 - Do you have processes in place to monitor scheme records for all membership types on an ongoing basis and ensure they are accurate and complete?

Your Answer:	Yes	
Scheme Action Plan:	Regular monitoring is conducted by the Systems Team and any issues identified are communicated to the Management Team for action.	
Review Date:	Ongoing	

### Question 3 - Do you have controls in place to ensure that your employer(s) provides timely, accurate and complete data?

Your Answer:	Yes	
Scheme Action Plan:	The Employer Team, Systems Team and Technical Hub Team ensure communications with Employers is utilised to the full. The Administration Strategy is the key document for communication between the Fund and its Employers detailing what is required and when.	
Review Date:	Ongoing	

**Question 4 - When did you last carry out a data review exercise?**

Your Answer:	Within the last year	
Scheme Action Plan:	The Systems Team carry out regular reviews on the data held within UPM (Pension Administration Software provided by CIVICA).	
Review Date:	Ongoing	

**Question 5 - Where you have identified poor quality or missing data, do you have an improvement plan to address issues?**

Your Answer:	Yes	
Scheme Action Plan:	The Fund have an annual data cleansing exercise that is carried out annually in addition to the newly implemented Monthly Returns from Employers. The Fund have been maintaining a data Improvement Plan since Oct 2018 to ensure 'Common Data' is clean to a 95% target. The Plan now also includes TPR scheme specific data reporting.	
Review Date:	Ongoing	

**Question 6 - Do you have processes in place for monitoring scheme contributions, resolving issues and assessing whether to report payment failures to TPR?**

Your Answer:	Yes	
Scheme Action Plan:	This is managed through the Employer Team, Systems Team and Technical Hub Team through the Administration Strategy.	
Review Date:	Ongoing	

**Question 7 - Have you reviewed your processes for issuing annual benefit statements to ensure they are fit for purpose?**

Your Answer:	Yes	
Scheme Action Plan:	This is reviewed annually to capture lessons learnt from the issuing of ABS.	
Review Date:	Annually	

**Question 8 - Have you taken steps to ensure that member communications are clear, accurate and easily accessible?**

Your Answer:	Yes	
Scheme Action Plan:	The Communications Policy was reviewed by Fund Officers and approved by the PSB at their 4 March 2020 meeting.	
Review Date:	Mar-23	



<b>Essex Pension Fund Advisory Board</b>	<b>PAB 07</b>
<b>Date: 15 December 2021</b>	

## **Papers provided to Essex Pension Fund Advisory Board**

Report by the Compliance Manager

Enquiries to Amanda Crawford 03330 321763

**This Report is for noting**

### **Executive Summary**

This report sets out all the communications the Fund has issued to the PAB since its last meeting.

## **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 13 October 2021** - Minutes and Slides e-mailed 01 November 2021

### **Main Points to note:**

- |                 |   |
|-----------------|---|
| Agenda item 05  | - Responsible Investment (RI) Project Plan Update and Outcome of Training Day |
| Agenda item 08c | - Responsible Investment (RI) Engagement Report                               |
| Agenda item 09  | - Review of Index Tracking Approaches   |
| Agenda item 10  | - Bitesize Training – The Role of the Global Custodian                        |

**Meeting of 29 November 2021** - Agenda Pack e-mailed 19 November 2021

**Main Points to note:**

- |                 |   |
|-----------------|---|
| Agenda item 04  | - Responsible Investment (RI) Project plan Update                               |
| Agenda item 07c | - Responsible Investment (RI) Engagement Report                                 |
| Agenda item 09  | - Climate Metrics for Taskforce on climate Related Financial Disclosures (TCFD) |
| Agenda item 10  | - UBS Workshop on the Provision and Development of Index Tracking Products      |

1.3 Essex Pension Fund Strategy Board (PSB):

**Meeting of 22 September 2021** - Minutes and Slides e-mailed 08 October 2021

**Meeting of 15 December 2021** - Agenda pack e-mailed 07 December 2021

**Main Points to note:**

- |                     |   |
|---------------------|---|
| Agenda item 03      | - External Audit 2020/21: Audit Completion Report Year Ending 31 March 2021 |
| Agenda item 04      | - Update on Pension Fund Activity: Quarterly Update Report                  |
| Agenda item 05b(ii) | - PAB Scheme Member and Independent Chairman Recruitment                    |
| Agenda item 06      | - Fund Policies: Review of Administration Strategy                          |
| Agenda item 07      | - 2021 Actuarial Interim Review   |

1.4 Essex Pension Fund Advisory Board (PAB):

**Meeting of 22 September 2021** - Minutes and Slides e-mailed 08 October 2021

**Meeting of 15 December 2021** - Agenda pack e-mailed 07 December 2021

1.5 ACCESS Joint Committee:

**Meeting of 25 June 2021** - Agenda pack and Summary Note e-mailed 27 September 2021

**Meeting of 06 September 2021** - Agenda pack and Summary Note e-mailed 01 October 2021

1.6 Other:

LGPC Bulletin 214 - E-mailed 01 October 2021

Governance Effectiveness Survey - E-mail 05 October 2021

LGPS Landscape Training (PSB 22 September 2021 agenda item 9) - Slides and YouTube linked e-mailed 08 October 2021

Administration Strategy Training Video - Emailed YouTube link 07 December 2021

**2. Recommendation**

2.1 That the Board should note the above.



<b>Essex Pension Fund Advisory Board</b>	<b>PAB 08</b>
<b>Date: 15 December 2021</b>	

## **Schedule of Future Meetings and Events**

Report by the Compliance Manager

Enquiries to Amanda Crawford on 03330 321763

**This Report is for noting**

### **Executive Summary**

The 2022/23 proposed PAB meeting dates subject to the Essex Pension Fund Strategy Board (PSB) agreement have been provided for noting along with a reminder of the upcoming Meetings and training events for the remainder of this municipal year.

## **1. Purpose of the Report**

- 1.1 To provide the Board with an update on the schedule of future meetings and events for the remainder of 2021/22.
- 1.2 To provide a proposed schedule of PAB meeting dates for the new 2022/23 municipal year.

## **2. Recommendation**

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

### 3. Background

- 3.1 Dates of events and 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 Compliance Team have not been made aware of any events for Members to attend.

### 5. Schedule of Meetings

- 5.1 The meeting dates/times for the remainder of this municipal year to note are:

Pension Advisory Board	
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. The PSB meeting will commence at 10am on the date listed above.

Training Days	
EPF Back to Basics	Monday 31 January 2022 (timings TBC)

### 6. 2022/23 Municipal Year Proposal

- 6.1 The PSB will be asked to agree the 2022/23 Municipal Year meeting dates at their 15 December 2021 meeting. It is therefore proposed, subject to the above that the Board's schedule of meetings for the new municipal year 2022/23 be as follows:

Pension Advisory Board	
Wednesday 06 July 2022	2pm – 4pm
Wednesday 21 September 2022	2pm – 4pm
Wednesday 07 December 2022	2pm – 4pm

Wednesday 22 March 2023	2pm – 4pm
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- 6.2 The PSB meetings are planned to be held on the same day and will commence at 10.00am on the dates listed above.
- 6.3 The Fund will hold an Annual Back to Basics Training Day with the date yet to be confirmed

## **7. Finance and Resources Implications**

- 7.1 All costs for training are met within the Fund's existing 2021/22 Budget and must be approved by the Compliance Manager and booked by the Fund.

## **8. Background Papers**

- 8.1 Schedule of Future Meetings and Events, PAB 06, 22 September 2021.

