

<b>Essex Pension Fund Strategy Board</b>	<b>PSB 06</b>
<b>Date: 6 March 2019</b>	

## **Governance Compliance Statement & Essex Pension Fund Advisory Board (PAB) Review**

Joint report by the Compliance Manager and the Independent Governance & Administration Advisor (IGAA)

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

- 1.1 To provide the Board with an update on the review of the Governance Compliance Statement including the Terms of Reference for the Essex Pension Fund Strategy Board (PSB), Investment Steering Committee (ISC) and Pension Advisory Board (PAB).
- 1.2 To provide the Board with an update on the review of the PAB.

### **2. Recommendation**

- 2.1 The Board should note:
  - the plan to review and agree the revised Terms of Reference for the PSB, ISC and PAB for inclusion within the Council's Constitution and the Fund's Governance Compliance Statement.
- 2.2 The Board should agree:
  - the approach for the PAB Review.

### 3. Governance Compliance Statement

- 3.1 Terms of References (TORs) for the three Boards/Committee need to be reviewed to include changes such as Pooling, and to provide clarity on responsibilities relating to the Fund's strategies. Initial thoughts are that there are a number of areas missing from the PAB's TOR which will be incorporated in the draft.
- 3.2 The proposed timeline to review and agree the revised TORs is:

Board/Committee	Meeting Date	To agree
PAB	June 2019	PAB TOR
ISC	June 2019	ISC TOR
PSB	July 2019	PAB, ISC & PSB TORs
Constitution Working Group	September 2019	PAB, ISC & PSB TORs
Full Council	October 2019	PAB, ISC & PSB TORs

These new TORs will be incorporated into the Governance Compliance Statement for the production of the Annual Report & Accounts.

### 4. PAB Review

- 4.1 During the December PSB meeting, the Board agreed to review the PAB Membership.
- 4.2 The Fund's Officers have reviewed the appointments of the PAB Members and have established that some Members have only recently joined and it would be reasonable to propose that they continue until the end of their term.
- 4.3 The proposed process for the Review is detailed below:

Date	Action	Owner
March/April 2019	To establish PAB Members intensions and determine where Members appointments need to be renewed	Fund Officers
April/May 2019	To agree panel to determine and carry out appointment process	Chairman & Fund Officers

May – July 2019	Carry out appointment process and confirm appointments to PAB	Agreed panel
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- 4.4 The Board is asked to agree the timeframe and process for the PAB Review.

## **5. Risk Implications**

- 5.1 Without full membership of the PAB, the Fund are in breach of the Public Service Pensions Act 2013 and therefore are at risk of not fulfilling their duties as advisors to the Board.

- 5.2 A complete change in Board Membership would impact on the efficient and effective running of the Board.

## **6. Communication Implications**

- 6.1 Other than ongoing reporting to the PSB, there are no communication implications.

## **7. Finance and Resource Implications**

- 7.1 The process will be carried out in the main by Fund Officers but there may be a requirement for advice from the Fund's IGAA.

## **8. Background Papers**

- 8.1 PAB Vacancy paper provided to the PSB at its meeting held on 19 December 2018, agenda item 11.
- 8.2 19 December 2018 PSB Minutes.