

Notes of the meeting of the Essex Pension Fund Advisory Board (PAB), held at 2:00pm as an online video conference on 15 December 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 M Bracken Chelmsford City Council

Scheme Member Representatives

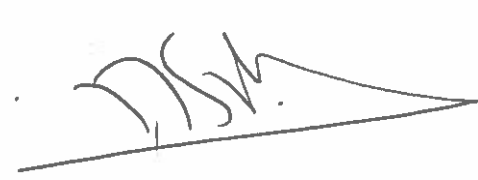
Andrew Coburn	UNISON (Vice Chairman)
Stuart Roberts	Shenfield High Academy
Debs Hurst	Chelmsford College
Christopher Downes	Essex County Council

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

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

Jody Evans	Director for Essex Pension Fund
Samantha Andrews	Investment Manager
Sara Maxey	Employer Manager
Daniel Chessell	Retirement Manager
Joel Ellner	Technical Hub Analyst
Amanda Crawford	Compliance Manager
Ajai Ajith	Compliance Analyst
Marcia Wong	Compliance Officer
Karen McWilliam	Independent Governance and Administration Adviser (IGAA) (Aon)

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



Apologies for Absence

Apologies were received from Employer Representatives Cllr L Barber, Cllr J Duffin and James Durrant who were unable to attend the meeting.

Opening Remarks

The Chairman welcomed Members of the PAB, Officers, Advisers and Observers to the meeting. In addition, welcomed Christopher Downes as the newly appointed Scheme Member representative on the Board. Introductions, for the benefit of the new Scheme Member, were carried out.

Declarations of Interest

Declarations were received from:

Nicola Mark declared she was in receipt of a LGPS Pension from another Fund;

Andrew Coburn declared he was in receipt of an Essex LGPS Pension;

Cllr M Bracken declared that his sister was in receipt of an Essex LGPS Pension;

Debs Hurst and Christopher Downes declared they were active Essex LGPS Members; and

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

Resolved:

The Board noted the content of the report.

2. Notes of the previous meeting held on 22 September 2021

Notes of the meeting of the PAB held on 22 September 2021 were approved as a correct record and signed by the Chairman.

The following points were raised for noting:

- PAB Members should have received an email from the Compliance Team and Hyman Robertson inviting Members to register for the Local Government Pension Scheme (LGPS) Online Learning Academy (LOLA) which went live on 10 December 2021;
- that Fund Officers had already undertaken the training provided by LOLA and would signpost Modules based on Meeting Agendas, however, that Members may also chose their own training pattern too;

- a Training Needs Analysis (TNA) would be carried out with the new Scheme Member representative, Christopher Downes within six months of joining the Board;
- further information would be provided to the Board regarding the makeup of the Scheme Members using Member Online at Agenda Item 3; and
- Officers had provided the Board with the Wider LGPS Landscape Training video on 08 October 2021.

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:

- Urgent Part One Business:

The Board were informed that Christine Golding, Essex County Council (ECC) Chief Accountant attended the PSB to present a report that had been provided to the Audit, Governance and Standards Committee ('Audit Committee') on Monday 13 December 2021 for consideration.

It was explained that the Audit Committee felt that the PSB should be consulted on the recommendation being considered in relation to the options open to ECC in regard to the forthcoming external auditor re-tender process.

Following a discussion, the PSB agreed to write to the Chairman of the Audit Committee expressing the Board's support of the recommendation to utilise the Public Sector Audit Appointments (PSAA) process.

- External Audit 2020/21: Audit Completion Report Year Ending 31 March 2021;

The Board were advised that the Fund was now in receipt of the Audit Completion Report for Year Ending 31 March 2021 and that due to delays with the ECC audit this would be now reported to the 17 January 2022 Audit Committee meeting. It was noted that an unmodified audit opinion was anticipated.

PAB Members were also advised that the Fund had successfully published the Fund's Annual Report and Accounts (R&A's) by the statutory deadline 01 December 2021. However, for the reasons

previously sighted the R&A's were still in draft and without the External Audit Opinion.

It was noted that the PSB Chairman would be writing to the Chairman of the Audit Committee to express the Board's disappointment with BDO's performance.

- Update on Pension Fund Activity: Quarterly Update Report;

Progress against the Fund's Business Plan, Budget, Scorecard and Risk Register was provided showing that out of 45 priorities, 20 were completed, 20 were in progress and 4 were not yet due to commence.

The Budget was currently forecasting an 8% underspend which was noted by the PSB.

Two improvements within the Scorecard were also noted with one annual Administration measure moving from amber to green and another moving from red to amber.

In addition, the Board were made aware of the remaining red and amber measures. The two reds were in regard to the PAB vacancy which would turn green at their next meeting and another in regard to audit which will continue to be reported red for the 3rd quarter exception report. The remaining ambers were noted by the PSB.

The Board were also provided with a further update in regard to the Fund's Surveys and the makeup of the Members' using Member Online.

- PAB Scheme Member and Independent Chairman Recruitment;

The Board were advised that the PSB noted the appointment of Christopher Downes as the new Scheme Member representative on the PAB for a term of up to six years and agreed the re-appointment of Nicola Mark, MBE as the Independent Chairman of the PAB for another four-year term. The Board congratulated both Christopher and Nicola on their appointments.

- 2021 Actuarial Interim Review;

The Board were made aware that the Fund's Actuary, Graeme Muir, from Barnett Waddingham, provided the PSB with an overview of the Valuation process followed by a presentation detailing the outcome of the recent Interim Review as at 31 March 2021 noting the Funding Level had improved and now stood at 98.8% and that no changes to contributions rates were required prior to the 2022 Valuation.

Other areas of business included:

- an update on the business discussed and agreed at the Investment Steering Committee (ISC) meetings on 13 October and 29 November 2021;
- an update in regard to the outcome of the PAB meeting held on 22 September 2022;
- the approval to consult Scheme Employers on the Draft Administration Strategy and for Officers to consider issuing the YouTube Training video to assist Employers when reviewing the changes made; and
- an update in regard to the current Employers exiting the Fund and the progress in regard to the Fund's Deferred Debt Arrangement (DDA) application.

Action:

Members to supply any comments to the Compliance Team by 7 January 2022 on the changes made to the Draft Administration Strategy prior to the consultation with Employers.

Resolved:

The Board noted the papers reviewed by the PSB.

4. PAB Governance Effectiveness Review

The Board received a report from the IGAA providing the results of the Governance Effectiveness Survey. It was noted that the responses to the survey were overwhelmingly positive with no significant issues identified.

It was further noted that Board Members felt that the overall effectiveness of the Fund had improved in the last two-years which was a great achievement especially during the pandemic.

The Board discussed the findings within the report, in particular the point raised around succession planning for the Board. Members discussed the possibility of the development of a pamphlet to explain the role of the Board, setting out the expectations of Members, the time, on average, Members would need to set aside for the reading of packs, attendance at meetings and training requirements. In addition, the pamphlet would illustrate the high-level of support that is provided by Officers to all Members on the Board.

Another point of discussion was the approach to Hybrid Meetings. It was confirmed that Hybrid would always be an approach offered to PAB Members going forward to accommodate and assist those members who have work commitments. However, the PAB could review the frequency of face-to-face meetings once the restrictions have been lifted at County Hall.

Action:

The Board recommend to the PSB, that the Board, in consultation with Fund Officers, develop a pamphlet in regard to the expectations around the role of PAB Members.

Resolved:

The Board noted the content of the report.

5. Hot Topics: Guaranteed Minimum Pension (GMP) Update

The Board received a Hot Topics presentation from the Technical Analyst in regard to the work undertaken by the Fund for the GMP reconciliation project and how this had now been subsumed into Business As Usual (BAU). The presentation covered the following main points:

- a brief history of GMP;
- implementation and annual increases;
- GMP Reconciliation Project;
- GMP's since April 2016; and
- the pending GMP Equalisation Project.

Resolved:

The Board noted the Hot Topics GMP Update and thanked the Technical Analyst for the presentation.

6. The Pensions Regulator (TPR) Code of Practice 14

The Compliance Manager provided the Board with a report which detailed the Fund's annual self-assessment compliance check against TPR's Code of Practice 14.

It was explained that the Fund had achieved 100% compliance for the second consecutive year which was applauded by the Board.

In addition, the Board were made aware that this could be the last compliance check of Code of Practice 14 in its current format, pending the new TPR Single Code.

Resolved:

The Board noted the content of the report.

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

The Board received a report which listed all the communications which had been issued to the Board since their last meeting.

It was highlighted that the ISC Agenda Items that may be of particular interest to the Board was the work undertaken regarding the Responsible Investment Engagement Meetings with the Fund's investment managers.

Resolved:

The Board noted the content of the report.

8. Schedule of Future Meetings and Events

A report detailing the planned PSB and ISC meeting dates for the remainder of this municipal year was presented to the Board noting and that the 23 March 2022 PSB and PAB meetings have been rescheduled to Friday 18 March 2022.

In addition, the 2022/23 meeting dates were presented to the Board which had been approved by the PSB at their earlier meeting:

Essex Pension Fund Strategy Board

Wednesday 06 July 2022	10am – 1pm
Wednesday 21 September 2022	10am – 1pm
Wednesday 07 December 2022	10am – 1pm
Wednesday 22 March 2023	10am – 1pm

The Board were informed that the intention was to continue to hold the PAB meetings on the same day as the PSB with a scheduled start time of 2pm.

The Compliance Manager also reminded the Board of the planned Back to Basics Training Day due to be held on 31 January 2022.

Resolved:

The Board noted the content of the report.

9. Any Other Business

The Compliance Manager provided the Board with a progress update in regard to the Board's Two-Year Training Plan and the recent sign up to LOLA. It was reiterated that if any Member needed any support registering or using LOLA to contact the Compliance Team.

Resolved:

The Board noted the update.

10. Closing Remarks

The Chairman conveyed her Christmas wishes to everyone and there being no further business the meeting closed at 3:41pm.

**Chairman
18 March 2022**