

Minutes of the Meeting of the Essex Pension Fund Strategy Board (PSB) held in Committee Room 2, on 11 September 2019

1. Membership, Apologies and Declarations of Interest

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

Membership Present:

Essex County Council

Cllr S Barker	(Chairman)	
Cllr M Platt	(Vice Chairman)	
Cllr A Goggin		Left 2pm
Cllr A Hedley		
Cllr M Maddocks		
Cllr L Scordis		
Cllr C Souter		

District/Borough Councils in Essex

Cllr M Dent	Southend Borough Council
Cllr C Riley	Castle Point Borough Council

Scheme Member Representatives

Sandra Child (UNISON)

The following officers and advisors were also present in support:

Jody Evans	Interim Director for Essex Pension Fund
Sara Maxey	Employer Manager
Sam Andrews	Investment Manager
Amanda Crawford	Compliance Manager
David Tucker	Technical Hub Manager
Daniel Chessell	Retirement Manager
Marcia Wong	Compliance Officer
Karen McWilliam	Independent Governance Administration Advisor (IGAA) (AON)
Graeme Muir	Fund Actuary (Barnett Waddingham)
Colin Dobbie	Fund Actuary (Barnett Waddingham)

The following Essex Pension Fund Advisory Board (PAB) members were present as observers of the meeting:

Debs Hurst	Scheme Member Representative
Stuart Roberts	Scheme Member Representative

Members noted that the meeting would be recorded to assist with the minutes for the meeting.

Opening Remarks

The Chairman welcomed Stuart Roberts to his first meeting as an Observer from the PAB along with Debs Hurst.

The Chairman invited Stuart Roberts to introduce himself to the Board.

Apologies for Absence

Apologies were received from: Jenny Moore, Other Employing Bodies representative; Nicola Mark (Chairman of the PAB) along with Andrew Coburn and James Durrant (PAB members).

Declarations of Interest

Declarations were received from:

Cllr S Barker - in receipt of an Essex LGPS pension. Son is a member of the Essex LGPS pension scheme;

Cllr A Goggin - wife, sister and brother-in-law are in receipt of an Essex LGPS pension;

Cllr M Maddocks - in receipt of an Essex LGPS pension;

Cllr Hedley - in receipt of an Aviva Group pension;

Cllr Riley – in receipt of an Essex LGPS Pension; and

Sandra Child - in receipt of an Essex LGPS Pension.

2. Minutes

Minutes of the meeting of the PSB held on 3 July 2019 were approved as a correct record and signed by the Chairman.

Resolved:

The Board noted this.

3. Valuation

The Independent Governance & Administration Advisor (IGAA) introduced this item by presenting to the Board the principles for setting strategy, drawing attention to the fiduciary duties of the Administering Authority to the Scheme Employers and Scheme Members.

Resolved:

The Board noted the presentation.

3.a Actuarial Valuation

The Board received a presentation from the Fund's Actuary, Barnett Waddingham, providing an update on the progress and initial results of the 2019 Actuarial Valuation.

Resolved:

The Board noted the presentation and update.

3.b Draft Funding Strategy Statement (FSS)

The Employer Manager provided the Board with a report outlining the timeline for the FSS to be reviewed, issued for consultation and approved by the Board. It was highlighted that the timeline presented would not coincide with Board meeting dates and therefore there would be a requirement to utilise the Stage 2 or 3 of Fund's out of Committee decision-making process model.

Resolved:

The Board:

- agreed to review the 2019 FSS out of Committee using the decision-making process Stage 3;
- approved the timescales outlined in paragraph 5.1 of the report; and
- noted the content of the report.

4. External Audit Report 2018/19

The Interim Director for Essex Pension Fund provided the Board with a report and presentation outlining the External Audit Report of the Fund that was presented to the Audit, Governance and Standards Committee on 29 July 2019.

Although the external auditors, BDO, highlighted two areas, these were not material to the Accounts and no further action was required.

It was highlighted that an end of audit meeting with BDO would be held with the Fund's Officers as well as ECC.

Resolved:

The Board noted the report and presentation.

5. Officer Changes within Essex Pension Fund

The Interim Director for Essex Pension Fund provided the Board with a report and presentation explaining the changes within the Fund's Management Team structure due to the departure of the Director, Kevin McDonald, who has taken on a two-year secondment as the Interim Director for ACCESS Support Unit.

The changes saw the Head of Essex Pension Fund, Jody Evans, stepping in as the Interim Director for Essex Pension Fund. In addition, this then saw the

uplift of four Members of the Management Team to deputise for the Interim Director within their areas of expertise: Samantha Andrews, Investment Manager; Sara Maxey, Employer Manager; Amanda Crawford, Compliance Manager; and Daniel Chessell, Retirement Manager.

Resolved:

The Board noted the report and presentation.

6. Update on the PAB Review

The Board received an update from the Compliance Manager in consultation with the Fund's IGAA on the recent developments within the PAB review process.

The Board were notified of the change in membership showing that two new Scheme Member Representatives were successfully appointed to the PAB in August 2019. They were: James Sheehy, Witham Town Clerk and Stuart Roberts, Shenfield High School Business Manager.

The Board were notified that the next phase of the review would be to review the PAB Chairman appointment and that this would commence 30 September 2019.

Resolved:

The Board noted the update.

7. Arrangements for Other Employing Bodies PSB Representative

The Board received a report from the Compliance Manager notifying them that the Other Employing Bodies PSB representative position would become vacant on the Board following their March 2020 meeting.

This was due to the current incumbent taking retirement from their Employer. However, as an interim measure whilst they continue to support their Employer with ad hoc support, and to provide consistency throughout the Valuation process, the current incumbent has agreed to stay on the Board until after the March 2020 meeting.

The Board were advised that they would be provided with detail on the recruitment of the position at their next meeting.

Resolved:

The Board noted the report.

8. Government Consultations

The Board were provided with an update from the Technical Hub Manager on the Fund's responses to Government Consultations.

Resolved:

The Board noted:

- the Fund's final response to the consultation concerning 'Restricting Exit Payments in the Public Sector'; and
- the Fund's final response to the consultation concerning 'Changes to Local Valuation Cycle and the Management of Employer Risk'.

9. Update on Pension Fund Activity

The Board received an update from the Compliance Manager on the Business Plan, Risk Register and the Scorecard.

During the consideration of this item the following were highlighted:

- good progress had been made on the Business Plan actions, with only one action pending;
- a red risk on the risk register was highlighted to the Board concerning the unknowns surrounding the McCloud judgement; and
- the scorecard score changes.

Resolved:

The Board noted:

- progress for 2019/20 against the Business Plan;
- the current risks scoring Amber and Red; and
- the latest scorecard measures.

10. Investment Steering Committee (ISC) Quarterly Report

The Board received a report from the Investment Manager which provided details on the ISC activity since the previous Board meeting.

It was noted that the ISC met on 26 June where the Committee received presentations from Fund Managers, and received a quarterly investment update on strategy implementation, manager and Fund performance. A second meeting was held on 17 July which was a strategic meeting reviewing the manager performance during 2018/19.

A number of decisions at both meetings had been made and were detailed within the report.

Resolved:

The Board noted the report.

11. Schedule of Future meetings

The Board received a presentation from the Compliance Manager which detailed the planned Committee and Board meetings for the municipal year. The Board discussed the possibility of moving the start time of the Board meetings to 10am instead of the usual 1pm start.

Pension Strategy Board

18 December 2019 – new start time of 10am

4 March 2020 – new start time of 10am

Investment Steering Committee

8, 9 & 10 October 2019 – Baillie Gifford Investment Conference

27 November 2019

19 February 2020

25 March 2020

Pension Advisory Board

25 September 2019

15 January 2020

The Compliance Manager also notified the Board of the events/conferences that were on the horizon during 2019/20.

Resolved:

The Board agreed to move the start time of their meetings to 10am.

The Board noted the schedule of meetings and events for 2019/20.

12. Urgent Part I Business

None.

Exclusion of the Public and Press

That the press and public are excluded from the meeting during the consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information falling within Schedule 12A to the Local Government Act 1972, the specific paragraph(s) of Schedule 12A engaged being set out in the report or appendix relating to that item of business.

Resolved:

The Chairman brought to the attention the above statement and the Board agreed to proceed.

13. Annual Returns update 2018/19

The Technical Hub Manager provided the Board with a report and presentation on the Annual Returns process for 2018/19.

Resolved:

The Board noted the report and update.

14. Employer Risk Analysis Update

The Employer Manager provided the Board with a report and presentation in relation to Employer Risk Analysis.

Resolved:

The Board noted the report and update.

15. Exit Payments

The Employer Manager provided the Board with a presentation to update them on the Fund's position on Exit Payments.

Resolved:

The Board noted the update.

16. Pooling Update

The Board received a presentation and update on the latest developments from the Interim Director for Essex Pension Fund including a verbal update of the outcome of the ACCESS Joint Committee held on 9 September.

Resolved:

The Board noted the presentation.

17. Urgent Exempt -Business

None.

18. Closing Remarks

The Chairman reaffirmed that the next PSB would take place on Wednesday 18 December at the earlier start time of 10am.

There being no further business the meeting closed at 3.05pm.



Chairman
18 December 2019

