



Essex County Council

Essex Pension Fund Investment Steering Committee

13:00	Wednesday, 18 July 2018	Committee Room 2, County Hall, Chelmsford, CM1 1QH
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For information about the meeting please ask for:

Kevin McDonald, Director for Essex Pension Fund

Telephone: 01245 431301 (internal ext 21301) or 0333 0138 488

Email: kevin.mcdonald@essex.gov.uk

		Pages
1	Membership, Apologies and Declarations of Interest To note the content of the report	7 - 8
2	Minutes To approve as a correct record the Minutes of the Investment Steering Committee meeting held on 27 June 2018.	9 - 16
3	Review of the Fund's Governance and Compliance Statement To consider a report by the Independent Governance & Administration Adviser	17 - 60
4	Capital Market Outlook Q2 to date To receive a verbal update from Hymans Robertson	

5 Urgent Business

To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.

6 Exclusion of the Public

To consider whether the public (including the press) should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 (exclusion is recommended for the items set out in Part II below).

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

7 Strategy Implementation

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

8 Annual Review of Investment Performance for year to 31 March 18

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

- 9 Annual Review of Managers - Manager hurdles**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 10 Manager Update Officer & Adviser Briefing Note**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 11 Update on investment managers presenting - GSAM**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 12 Investment Manager Presentation - Goldman Sachs Asset Management (GSAM)**
To receive a presentation on the bond portfolio from GSAM
- 13 Investment Manager Presentation - Aviva Investors**
To receive a presentation on the property portfolio from Aviva Investors
- 14 LGPS Pooling update**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
- 15 Urgent Exempt Business**
To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

16 Date of Next Meeting

To note the next Essex Pension Fund Strategy Board is on

Wednesday 12 September 2018 at 1pm in Committee Room
2

To note the next Investment Steering Committee is on

Wednesday 17 October 2018 at 1pm in Committee Room 2

Essex County Council and Committees Information

All Council and Committee Meetings are held in public unless the business is exempt in accordance with the requirements of the Local Government Act 1972. If there is exempted business, it will be clearly marked as an Exempt Item on the agenda and members of the public and any representatives of the media will be asked to leave the meeting room for that item.

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The Council Chamber and Committee Rooms are accessible by lift and are located on the first and second floors of County Hall.

Induction loop facilities are available in most Meeting Rooms. Specialist headsets are available from Reception.

With sufficient notice, documents can be made available in alternative formats, for further information about this or about the meeting in general please contact the named officer on the agenda pack or email democratic.services@essex.gov.uk

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If you are unable to attend and wish to see if the recording is available you can visit this link <https://cmis.essexcc.gov.uk/Esexcmis5/CalendarofMeetings> any time after the meeting starts. Any audio available can be accessed via the 'On air now!' box in the centre of the page, or the links immediately below it.

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Agenda item 1

Committee: Essex Pension Fund Investment Steering Committee

Enquiries to: Samantha Andrews, Investment Manager

Membership, Apologies, Substitutions and Declarations of Interest

Recommendations:

To note

1. The Committee's membership as detailed below.
2. Apologies and substitutions.
3. Declarations of interest to be made by Members in accordance with the Members' Code of Conduct.

Membership

(Quorum: 4)

5 Conservative Group: 1 Labour Group: 1 Non-aligned Group

Membership

Councillor S Barker
Councillor A Goggin
Councillor A Hedley
Councillor M Platt
Councillor C Pond
Councillor L Scordis
Councillor C Souter

Representing

Essex County Council (Chairman)
Essex County Council
Essex County Council
Essex County Council
Essex County Council
Essex County Council
Essex County Council

Observers

Councillor C Riley
Sandra Child

Castle Point Borough Council
UNISON

Minutes of the meeting of the Investment Steering Committee (ISC) held in Committee Room 1, on 27 June 2018

1. Membership, Apologies, Substitutions and Declarations of Interest.

The report of the Membership, Apologies and Declarations was received and it was noted that:

Membership Present:

Cllr S Barker (Chairman)	Essex County Council
Cllr A Hedley	Essex County Council
Cllr M Platt	Essex County Council
Cllr C Pond	Essex County Council
Cllr C Souter	Essex County Council
Sandra Child (Observer representing scheme employees)	UNISON
Cllr C Riley (Observer representing scheme employers)	Castle Point Borough Council

The following Advisers were present in support of the meeting:

Mark Stevens	Independent Adviser
Rebecca Craddock-Taylor	Hymans Robertson
John Dickson	Hymans Robertson
John Wright	Hymans Robertson

The following Officers were present in support of the meeting:

Kevin McDonald	Director for Essex Pension Fund
Samantha Andrews	Investment Manager
Helen Pennock	Pension Operation Analyst

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

Andrew Coburn	UNISON
Paul Hewitt	Scheme Member Representative
Mark Paget	Scheme Member Representative

Change of Membership

The following changes to the Committee's membership were noted:

Conservative Group

Cllr Stephen Canning replaced with Cllr Mark Platt

Non-Aligned Group

Cllr Dave Blackwell replaced with Cllr Chris Pond

The Chairman welcomed Cllr Platt and Cllr Pond to their first ISC meeting.

Apologies for Absence

Apologies were received from Cllr Goggin, Cllr Scordis and Cllr Maddocks (Essex CC). Cllr Scordis (Essex CC) was absent from the meeting.

It was also noted that Essex Pension Fund Strategy Board Members Cllr Moring and Jenny Moore were unable to attend.

Declaration of Interest

Cllr Barker and Cllr Riley confirmed they are in receipt of an Essex LGPS pension and Cllr Hedley declared he is in receipt of an Aviva Group pension.

2. Appointment of Chairman

It was noted that on 15 May 2018, Cllr Susan Barker was formally reappointed at the annual meeting of Essex County Council, Chairman of the Essex Pension Fund Strategy Board and the Essex Pension Fund Investment Steering Committee.

Resolved:

That the Committee note this.

3. Appointment of Vice-Chairman

It was agreed that Cllr M Platt be appointed Vice-Chairman.

4. Essex Pension Fund Investment Steering Committee Terms of Reference (TOR)

Kevin McDonald highlighted that an unchanged ToR was agreed at the annual meeting of Essex County Council on 15 May 2018. It was noted that further consideration will need to be given to reflect the ACCESS pooling arrangements

Resolved:

That the Committee note the ToR and that a revised ToR be brought to a future meeting.

5. Arrangement for future meetings

The Committee confirmed the schedule of meetings for the municipal year 2018/19.

18 July 2018
17 October 2018
28 November 2018
20 February 2019
27 March 2019

It was reaffirmed that all meetings will commence at 1pm. Members were reminded by the Chairman that if they are unable to attend any of the meetings they should seek to make arrangements to be represented by a group substitute.

The Committee also noted the schedule for the ACCESS Joint Committee:

19 September 2018

10 December 2018

6. Minutes of ISC meeting 28 March 2018

The part 1 minutes of the meeting of the ISC held on 28 March 2018 were approved as a correct record and signed by the Chairman.

7. Capital Market Outlook Q1 2018 to date

Rebecca Craddock-Taylor from Hymans Robertson gave a verbal update, on the markets since the Committees' last meeting. It was highlighted that the short term volatility experienced in the markets earlier in the year has since settled.

Resolved:

That the Committee note the verbal update.

8. Urgent Business

None

Resolved:

9. Exclusion of the Public and Press (Press & Public excluded)

That the Public (including the press) be excluded from the meeting during consideration of the following items on the grounds that they involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972:

- ISC 28 March 2018 minutes – Part II
- Investment Tables Quarter ended 31 March 2018
- Transitions Update
- Structural Reform of the Local Government Pension Scheme (LGPS) Pooling
 - Progress update
 - Structural reform of the LGPS JC quarterly update
 - Stocklending training
 - Stocklending
 - ACS ACCESS Voting Guidelines
- Urgent Exempt Business
- Date of next meeting

10. Minutes of ISC meeting 28 March 2018 part 2
(Press & Public excluded)

The part 2 minutes of the meeting of the ISC held on 28 March 2018 were approved as a correct record and signed by the Chairman.

11. Investment Tables Quarter ended 31 March 2018
(Press & Public excluded)

The Committee received a report from Kevin McDonald, Director for Essex Pension Fund in consultation with Mark Stevens Independent Investment Adviser, which gave details of the Fund's investment performance for the quarter ended 31 March 2018. The value of the Fund decreased from £6.605bn as at 31 December 2017 to a value of £6.519bn as at 31 March 2018.

Resolved:

That the report be noted.

12. Transitions update
(Press & Public excluded)

The Committee received a verbal update from Rebecca Craddock-Taylor from Hymans Robertson outlining the progress made to date in respect of the implementing the first phase of the transition from equities to alternatives.

It was explained that in April the overweight position of Baillie Gifford global equity mandate had been rebalanced back successfully to within agreed tolerance of its strategic allocation with the proceeds used to bring GSAM's bond mandate back in line with its target allocation. It was also highlighted that both the Stafford and Alcentra mandates which had fallen below target were also given further commitment to bring back in line with its target.

Resolved:

That the update be noted.

13. Structural Reform of LGPS Pooling
(Press & Public excluded)

13a: Progress Update

The Committee received a presentation from John Wright, Investment Adviser to the ACCESS pool which provided an update on progress made to date in respect of the ACCESS Pool establishment, in particular governance, operations and sub fund launch.

It was explained that Officers assisted by ACCESS's legal advisors Squires have been working with Link, the Operator to finalise the prospectus for submission to the Financial Conduct Authority (FCA). It was noted that whilst there had been a few delays whilst clarification was sought it was hoped that the submission would be imminent.

It was noted that with the help of Muse and Squires, Officers had made substantial progress in formulating much of the content of the Governance Manual.

Resolved:

After discussions the presentation was noted.

13b: Structural Reform of LGPS pooling quarterly JC update

Kevin McDonald, Director for Essex Pension Fund, gave an update outlining the latest developments in respect of the structural reform of the LGPS.

Members were informed that the ACCESS Joint Committee had met on two occasions since the last ISC meeting.

Kevin McDonald explained that a piece of work had been undertaken to determine the tasks and skill set required in populating the permanent ACCESS Support Unit (ASU). It was noted that four role responsibilities had been identified made up of 3 FTE ASU dedicated posts: Programme Manager; Contract Manager; Support Administrator whilst the other post, Technical Officer would be on a virtual basis drawing upon the technical skill set of OWG officers within the ACCESS Authorities.

It was confirmed that ACCESS S151 Officers had met on 25 May to discuss the proposed ASU arrangements and in particular to identify suitable candidates to act as the Host Authority. It was explained that 8 out of 11 Authorities were represented and that Essex had expressed an interest to take on the Host Authority responsibility.

It was confirmed that all ACCESS Authorities have now been consulted and agreement had been reached that Essex County Council be Host Authority and that recruitment to the ASU could now commence.

Resolved:

The Committee noted:

- the progress of the prospectus submission to the FCA and Phase 1 sub-fund seeding arrangements;
- the progress of the Governance manual;
- the engagement with S151 Officers;
- the progress of the permanent ACCESS Support Unit;
- that Essex County Council be the Host Authority;
- the ACCESS business plan and budget for 2018/19; and
- the agenda of 26 April and 11 June 2018 AJC.

13c: Stocklending training

The Committee received a training presentation from Neil Young and Mark Jones from Northern Trust, Link's Authorised Contractual Scheme (ACS) depository and custodian service provider on stock lending.

Resolved:

After discussions the presentation was noted.

13d: Stock Lending

The Committee received a report from Hymans Robertson in consultation with the Independent Investment Adviser and Director for Essex Pension Fund providing an overview of stock lending principles and setting out a proposal that the Fund should, in principle, adopt a policy to lend stock as part of the terms to invest within the ACCESS pooling arrangements.

John Dickson walked through with the Committee examples of how stock lending worked in practice.

Resolved:

After discussions it was **agreed:**

- in principle, to adopt the future ACCESS Securities Lending Policy as part of the terms to invest in the sub funds of the ACCESS ACS;
- the Fund's Investment Strategy Statement (ISS) be amended in due course to reflect this decision; and
- the report be noted.

13e: ACS ACCESS Voting Guidelines

Kevin McDonald, Director for Essex Pension Fund, set out a proposal to adopt ACCESS's voting guidelines as part of the terms of investing in equity sub funds of the ACCESS Authorised Contractual Scheme (ACS).

It was explained that Link recognises that as the Manager of the ACCESS ACS it has a responsibility as Operator, and to its investors the ACCESS funds, to promote good corporate governance and management in the companies in which the Fund invests and it requires investment managers appointed to manage the Fund to exercise the voting rights attached to investments held in the Fund. The establishment of equity sub-funds that hold directly held equity investments will require voting guidelines to be set out to exercise shareholder rights.

To this end Link have reviewed all of the ACCESS funds' ISSs and following consultation with the On-boarding Sub-Group have drafted voting guidelines for ACCESS which are drawn from current practice within ACCESS and in line with guidance from the Investment Association.

Resolved:

After further discussions it was agreed that:

- the Committee adopt the ACCESS voting guidelines as part of the terms to invest in the equity sub funds of the ACCESS ACS;
- the Fund's Investment Strategy Statement (ISS) be amended in due course to reflect this decision; and
- the content of the report be noted.

14. Urgent Exempt Business
(Press & Public excluded)

None

15. Date of Next Meeting
(Press & Public excluded)

To note the next Essex Pension Fund Strategy Board is on Wednesday 4 July 2018 at 1pm in Committee Room 2.

To note the next Investment Steering Committee is on Wednesday 18 July 2018 at 1pm in Committee Room 2.

There being no further business the meeting closed at 3.35pm

Chairman
18 July 2018

Essex Pension Fund Investment Steering Committee	AGENDA ITEM 3
Date: 18 July 2018	

Review of the Fund's Governance and Compliance Statement.

Report by the Independent Governance & Administration Adviser

Enquiries to Kevin McDonald on 03330 138488 and Jody Evans on 03330 138489

1. Purpose of the Report

- 1.1 For members of the Investment Steering Committee ("ISC") to agree the proposed revisions to their Terms of Reference contained in this report. The revised Terms of Reference will then form part of the Fund's Governance and Compliance Statement.

2. Recommendations

- 2.1 That the ISC agrees the revised Terms of Reference at paragraph 5 should be taken for formal ratification to a future meeting of the Full Council.
- 2.2 That the ISC offers any wider comments on the draft Governance Compliance Statement as set out in the Annex A to this paper.

3. Background

3.1 Under the Local Government Pension Scheme Regulations, each Pension Fund Administering Authority is required to produce and keep under review a Governance Policy detailing the following:

- whether the authority delegates its function, or part of its function, in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority;
- if it does so -
 - the terms, structure and operational procedures of the delegation,
 - the frequency of any committee or sub-committee meetings,
 - whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not Scheme employers) or members, and, if so, whether those representatives have voting rights.

4. Review of the Governance Compliance Statement

4.1 It was agreed at the Essex Pension Fund Strategy Board (“PSB”) of 7 March 2018 that the Independent Governance and Administration Adviser and the Fund’s officers carry out a review of the Governance Compliance Statement in order to ensure it remains up to date and relevant.

4.2 Input was sought from the Essex Pension Fund Advisory Board on 1 June 2018. This is appropriate given the PAB’s role of assisting in the good governance of the Essex Pension Fund.

4.3 Further comment was sought from the PSB on 4 June 2018.

4.4 The purpose of bringing the Governance and Compliance Statement before the ISC is because the terms of reference for the ISC will change as a consequence of pooling. Once these changes to the ISC’s terms of reference have been made they will be reflected in the Governance Compliance Statement.

5. Investment Steering Committee Terms of reference

5.1 The proposed Terms of Reference for the ISC are shown below, with changes to the existing Terms highlighted in red;

- i. to approve and annually review the content of the Investment Strategy Statement;
- ii. to monitor compliance of the investment arrangements with the Investment Strategy Statement;
- iii. to approve and review the asset allocation benchmark for the Fund;

- iv. to assess the risks assumed by the Fund at a global level as well as on a manager by manager basis;
- v. to appoint and review Investment Managers, Custodian and Advisors;
- vi. to ~~agree appropriate set the~~ investment parameters within which the Fund ~~will invest with~~ Investment Managers/~~mandates can operate~~ and review these annually;
- vii. to assess the quality and performance of each Investment Manager/~~mandate~~ annually in conjunction with investment advisers and the Section 151 Officer;
- viii. to approve and to review annually the content of the Pension Fund Treasury Management Strategy;
- ix. to submit quarterly reports on its activities to the Essex Pension Fund Strategy Board;
- x. to appoint annually a representative to sit on the ACCESS Joint Committee; and
- xi. to engage with, and receive reports from, the Joint Committee in order to ensure the delivery of the Fund's investment strategy.

6. Rationale for the changes

- 6.1 The proposed changes to the existing Terms of Reference have been designed not to be overly detailed or prescriptive. They recognise that, for some time to come, the Fund will continue to appoint investment managers while at the same time investing through the ACCESS Pool.

7. Link to the Essex Pension Fund Objectives

- 7.1 This paper has relevance to the following Fund objectives:
- 7.2 Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise.
- 7.3 Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based.
- 7.4 Understand and monitor risk and compliance.

8. Risk Implications

- 8.1 Failure to carry out a review of the Governance Compliance Statement may result in the Fund failing to achieve its governance objectives.

9. Communication Implications

- 9.1 The Policy will be published on the Fund's website and will appear in the 2018/19 Pension Fund Report and Accounts.

10. Finance and Resources Implications

- 10.1 If agreed, this recommendation will require officer support.

11. Background Papers

- 11.1 ECC Constitution.

Governance Policy and Compliance Statement

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Introduction

This Policy and Compliance Statement outlines the governance arrangements for the Essex Pension Fund, maintained by Essex County Council, as required by Regulation 55 of the Local Government Pension Scheme Regulations 2013 ("The Regulations").

Under that provision all LGPS Funds in England and Wales are required to produce a Governance Compliance Statement, keep it under review, revise it following any material change in its delegation arrangements and publish it, following such consultation as it considers appropriate. The statement is required to set out:

- a. whether the administering authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the authority;
- b. if they do so
 - i. the terms, structure and operational procedures of the delegation;
 - ii. the frequency of any committee or sub-committee meetings;
 - iii. whether such a committee or sub-committee includes representatives of employing authorities (including authorities which are not Scheme employers) or members, and if so, whether those representatives have voting rights;
- c. the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying;
- d. details of the terms, structure and operational procedures relating to the local pension board established under The Regulations.

Each administering authority is required to:

- a. keep the statement under review;
- b. make such revisions as are appropriate following a material change in respect of any of the matters mentioned in points a. to d., above; and
- c. if revisions are made, publish the statement as revised.

In reviewing and making revisions to the statement, the authority must consult such persons as it considers appropriate.

This Policy and Statement was made and approved by the Essex Pension Fund Board on ~~16 December 2015~~ [7 March 2018](#). There have been some [minor](#) changes to the governance arrangements since the previous Policy and Statement.

~~In 2013 the Public~~[The Public](#) Service Pensions Act ~~2013 required~~[requires](#) that each public sector scheme establishes a Pension Board. ~~The subsequent amendments to~~ The Regulations specify the role of the Board for LGPS funds. The Regulations require the creation of a Local Board to assist the scheme manager (in Essex Pension Fund's case, The Essex Pension Fund Strategy Board and the Essex Pension Fund Investment Steering Committee):

- to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS;
- to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator;
- in such other matters as the LGPS regulations may specify.
- secure the effective and efficient governance and administration of the LGPS for the Essex Pension Fund;
- provide the Scheme Manager with such information as it requires in order to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest.

About The Essex Pension Fund

Under the Local Government Pension Scheme Regulations 2013, Essex County Council is required to maintain a pension fund ("the Fund") for its employees and those of other Scheme Employers within its area.

Essex County Council therefore administers the Fund for its own employees and those of the 14 District/Borough/Unitary Councils and numerous other bodies. In total there are over ~~580~~ [700](#) separate employing bodies in the Fund. The Fund excludes provision for teachers, fire-fighters and police officers, for whom separate arrangements exist but includes administrative and support staff for those organisations.

Benefits are prescribed by, and the Fund is invested in accordance with, the provisions of the following regulations under the Public Service Pensions Act 2013 (all as amended):

- Local Government Pension Scheme (LGPS) Transitional Provisions, Savings and Amendment Regulations 2014;
- Local Government Pension Scheme (LGPS) Regulations 2013;
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 2016; and

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and other saved provisions from previous sets of LGPS regulations.

With effect from 1 April 2014 employee contributions have been banded according to employees' annual pensionable pay. The rates payable vary from 5.5% to 12.5% of annual pensionable pay.

Membership Summary as 31 March 201 8 ⁵	
Active Members	<u>66,448,509,965</u>
Pensioner/Dependants	<u>40,528,354,455</u>
Deferred* Members	<u>55,904,440,338</u>
Total	<u>162,881,304,758</u>

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* Deferred pensioners are former active members who have chosen not to transfer their pension rights but retain their pension rights in the Essex Pension Fund until they are due for payment.

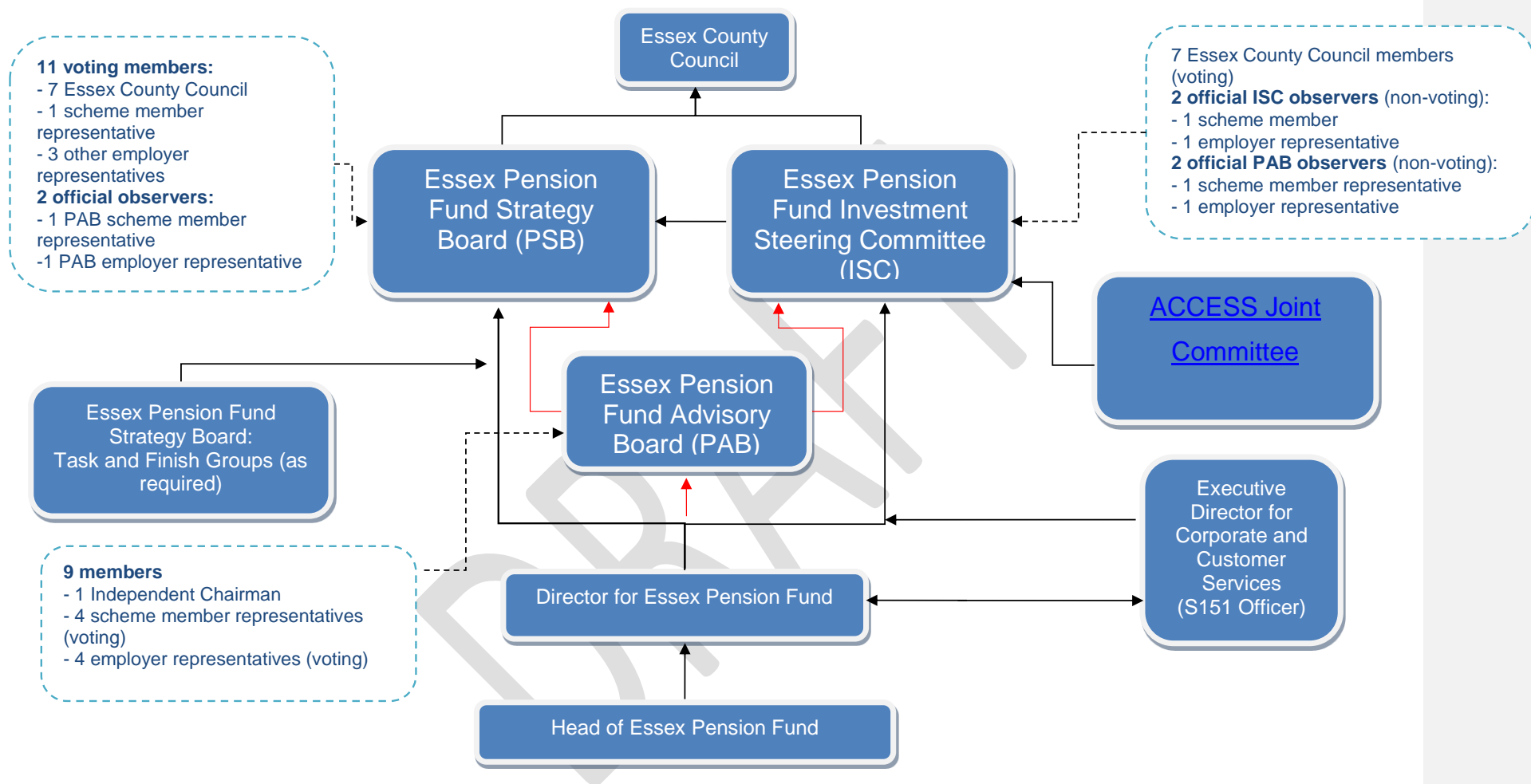
At the last triennial valuation of the Fund as at 31 March 201~~3~~⁶ Fund assets were £~~3,9584.993~~ billion (on a smoothed basis), which represented ~~80~~⁹% of the Fund's liabilities. Employers are responsible for paying employer contributions at rates determined by the fund actuary at each triennial valuation.

At the last interim review, the Fund's assets as at 31 March 2018 were £6.361 billion (on a smoothed basis) which represented 94% of the Fund's liabilities. The next triennial valuation will take place as at 31 March 2019.

Governance Structure

The Essex Pension Fund governance structure is illustrated below. This structure relates to the administering authority responsibilities only. Essex County Council is also an employer within the Essex Pension Fund. A separate governance structure and Scheme of Delegation is in place in relation to Essex County Council's employer responsibilities:

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Scheme of delegations for the Essex Pension Fund

Essex County Council ("the Council") has delegated its functions in relation to the maintenance of the Essex Pension Fund as follows:

1. To the Essex Pension Fund Strategy Board (PSB) (formerly known as the Essex Pension Fund Board):

- i. To exercise on behalf of the Council all of the powers and duties of the Council in relation to its functions as Administering Authority of the Essex Pension Fund except where they have been specifically delegated by the Council to another Committee or to an officer. The delegation will include the following specific functions:
 - a. To monitor and oversee the work of the Investment Steering Committee through its quarterly reports.
 - b. To monitor the administration of the Pension Scheme, including compliance with The Regulations, to oversee the day to day administration and payment of pensions including the Internal Disputes Resolution Procedures. To ensure the Fund delivers best value and complies with best practice guidance where considered appropriate.
 - c. To exercise Pension Fund discretions on behalf of the Administering Authority.
 - d. To determine Pension Fund policy in regard to employer admission arrangements.
 - e. To determine the Pension Fund's Funding Strategy and approve its Funding Strategy Statement.
 - f. To receive periodic actuarial valuation reports from the Actuary.
 - g. To coordinate Administering Authority responses to consultations by Central Government, professional and other bodies.
 - h. To consider any views expressed by employing organisations and staff representatives.

2. To the Essex Pension Fund Investment Steering Committee (ISC):

Membership: seven members of the Council:

- i. to approve and annually review the content of the Investment Strategy Statement;
- ii. to monitor compliance of the investment arrangements with the Investment Strategy Statement;
- iii. to approve and review the asset allocation benchmark for the Fund;
- iv. to assess the risks assumed by the Fund at a global level as well as on a manager by manager basis;
- v. to appoint and review Investment Managers, Custodian and Advisors;
- vi. to agree appropriate ~~set the~~ investment parameters within which the Fund will invest with Investment Managers /mandates can operate and review these annually;
- vii. to assess the quality and performance of each Investment Manager /mandate annually in conjunction with investment advisers and the Section 151 Officer;
- viii. to approve and to review annually the content of the Pension Fund Treasury Management Strategy;
- ix. to submit quarterly reports on its activities to the Essex Pension Fund Strategy Board;
- x. to appoint annually a representative to sit on the ACCESS Joint Committee; and

Comment [A1]: NB – this contains the version of the ISC ToR that includes input from Hymans investment advisers and which was forwarded to officers by IC on 5/7/18

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xi. [to engage with, and receive reports from, the Joint Committee in order to ensure the delivery of the Fund's investment strategy](#)

3. To the Executive Director for Corporate and Customer Services (S151 Officer):

- i. To act as the Council's officer appointed under section 151 of the Local Government Act 1972 and to make such decisions as are necessary for the proper administration of the Council's financial affairs.
- ii. To be the Proper Officer under Section 151 of the Local Government Act 1972.
- iii. To be responsible for all the Council's powers and duties with respect to pensions including the Essex Pension Fund and the Council's involvement with other pension schemes

Note 1: The Executive Director for Corporate and Customer Services is not empowered to change the managers of the Pension Fund unless the Chief Executive agrees following a recommendation from the ISC.

Note 2: The operational procedures related to these functions are carried out by the Essex Pension Fund.

4. To the Director ~~for Essex Legal~~ [and Assurance Services](#):

[~~To act as the administering authority for the purposes of the pensions complaints procedure.~~](#)
[To discharge the functions of the Council with respect to the pensions complaints procedure.](#)

[5. To the ACCESS Pension Fund Pool Joint Committee in respect of Pensions](#)

[Part 1: Functions in relation to the Operator](#)

- i. Specifying Operator services: Deciding, in consultation with the Councils, the specification of services and functions that the Operator will be required to deliver including the sub-funds and classes of investments required to enable each Council to execute its investment strategy.
- ii. Procuring the Operator: agreeing the method and process for the procurement and selection of the Operator.
- iii. Appointing the Operator: Making a recommendation to the Councils as to the identity of the Operator and the terms upon which the Operator is to be appointed.
- iv. Reviewing the Performance of the Operator: Keeping the performance of the Operator under constant review and making arrangements to ensure that the Joint Committee is provided with regular and sufficient reports from the Officer Working Group to enable it to do so including but not limited to:
 - a. the performance of the Operator against its contractual requirements and any other performance measures such as any Service Level Agreement (SLA) and key performance indicators (KPIs) and Officer Working Group recommendations on any remedial action;
 - b. sub-fund investment performance;
 - c. investment and operational costs including the annual review of investment manager costs;
 - d. performance against the strategic business plan agreed by the Councils.
- v. Managing the Operator: The Joint Committee shall:
 - a. Make recommendations to the Councils on the termination or extension of the Operator Contract and
 - b. Make decisions about any other action to be taken to manage the Operator Contract including the giving of any instruction or the making of any recommendation to the Operator including but not restricted to recommendations on investment managers (within any regulatory constraints that may apply).
- vi. Appointment of Advisers
 - a. The Joint Committee may appoint such professional advisers on such terms as it thinks fit. Any procurement of advisers must comply with the constitution of the Authority designated to undertake the procurement and that Authority will enter into a contract with the appointed adviser on behalf of the Authorities.

- b. The Joint Committee may appoint such professional advisers on such terms as it thinks fit. Any procurement of advisers must comply with the constitution of the Authority designated to undertake the procurement and that Authority will enter into a contract with the appointed adviser on behalf of the Authorities.
- c. The Joint Committee shall decide which tasks shall be performed by the Client Unit and which Council shall manage the Client Unit including the employment arrangements for employees in the Client Unit.

Part 2: Functions in relation to Management of Pool Assets

- vii. The Joint Committee shall make recommendations to the Councils on the strategic plan for transition of assets that are to become Pool Assets.

Part 3: Functions Concerning Pool Aligned Assets

- viii. Making recommendations to the Councils about Pool Aligned Assets (including proposals concerning the migration of investments-such as passive investments via life fund policies-to become Pool Aligned Assets) in accordance with this Agreement or any other delegation to the Joint Committee by the Councils.

Part 4: Functions concerning Business Planning and Budget

- ix. Make recommendations to the Councils about the annual strategic business plan for the Pool.
- x. Determine the budget necessary to implement that plan and meet the expenses of undertaking the Specified Functions (insofar as they will not be met by individual transaction costs paid by Councils to the Operator) in accordance with Schedule 5 hereof.
- xi. Keep the structures created by this Agreement under review from time to time and make recommendations to the Councils about:
 - a. the future of the Pool;
 - b. any changes to this Agreement; and
 - c. as to the respective merits of continuing to procure operator services by means of a third party or by creation of an operator owned by the Councils.

- xii. The Joint Committee is required to commence the first review of this Agreement by the second anniversary of its first meeting.
- xiii. The Joint Committee is required to undertake a review of the Pool and this Agreement:
 - a. to be completed 18 months before the expiry of each and every Operator Contract including as a result of the exercise of any option to terminate the Operator Contract;
 - b. whenever a Council gives notice of withdrawal under clause 12 of this agreement

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Under the Public Service Pensions Act 2013, the Essex Pension Fund's Local Pension Board is known as the Essex Pension Fund Advisory Board (PAB). The functions of the PAB are set out in its terms of reference and are summarised below:

5.6. ~~To~~ The Essex Pension Fund Advisory Board (PAB)

- i. To assist the Scheme Manager:
 - a. to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
 - b. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator (~~T~~PR).
- ii. To secure the effective and efficient governance and administration of the LGPS for the EPF
- iii. To help ensure that the EPF is managed and administered effectively and efficiently and complies with the CoP.
- iv. To assist the Scheme Manager with such matters as the scheme regulations may specify.
- v. To be a "critical friend" to the PSB and the ISC.
 - a. To provide oversight of decisions made by the PSB to ensure that due process has been followed.
- vi. The Board may review any decision made by or on behalf of the Scheme Manager.

vii. The Board will adopt a policy statement on reporting breaches identified under vi.

viii. At the invitation of the PSB, the Board may also undertake other tasks, including (but not limited to):

- a. assisting the PSB by reviewing aspects of the performance of the EPF– for example ~~by example~~ by reviewing the risk management arrangements within EPF (although the PSB will remain accountable for risk management);
- b. reviewing administration standards or performance or review efficacy of scheme member and employer communications;
- c. reviewing published policies to ensure they remain fit for purpose and are complete;
- d. reviewing EPF annual reports;
- e. consider producing a Board annual report in accordance with requirements, guidance and general accountability to stakeholders;
- f. being part of any consultation process with the purpose of adding value to that process based on, for example, their representation of employers and scheme members;
- g. discussing strategic matters such as communications where requested by the PSB.

ix. Appointing Observers to attend meetings of the PSB and the ISC.

Board/Committee Representation

The Essex Pension Fund Strategy Board (PSB)

The Essex Fund Pension Strategy Board is composed as follows:

Representing	No	Term of Office	Comments
Essex County Council	7	until 2017 21 County Council Elections	
District/Borough Councils in Essex	1	4 years (from May 2015 until 2019 District/Borough Council elections)	Nominated by Essex Borough and District Leaders"/Chief Executives" Meeting
Unitary Councils in Essex	1	4 years (from May 2015 until 2019 Unitary Authority elections)	One from either Southend-on-Sea and Thurrock Councils
Scheme Members	1	4 years from date of appointment	Nominated by UNISON
Smaller Employing Bodies	1	4 years, from Employer Forum 2015 until Employer Forum 2019	To be nominated following voting by either eligible employers attending the Employer Forum or election process
Total	11		
PAB Employer representative (observer)	1	A review of the PAB is due to commence by October 2016 with any changes implemented by May 2017.	PAB Nomination
PAB Employee representative (observer)	1		PAB Nomination

All members of the Board have equal voting rights.

The Strategy Board is supported in the execution of its responsibilities by staff from the Authority's Pension Fund function as well as an Independent Governance and Administration Adviser and other advisers as considered necessary (e.g. the Fund Actuary).

The Strategy Board meets ~~five~~ four times a year ~~with one of the meetings set aside for consideration of Pension Fund strategy matters~~. Additional Task and Finish Groups can meet as necessary to consider and report to the Board on matters that require further consideration.

The Strategy Board also has a dedicated training plan which includes specific internal training sessions in order they may maintain an appropriate level of knowledge and skills to perform their role effectively.

The Essex Pension Fund Investment Steering Committee (ISC)

The Essex Pension Fund Investment Steering Committee is composed as follows:

Representing	No	Term of Office	Comments
Essex County Council (voting)	7	Until 2017 21 County Council Elections	
Total	7		
Employer representative (observer)	1	4 years (from May 2015 until 2019 District/Borough Council elections)	Nominated by Essex Borough and District Leaders"/Chief Executives" Meeting
Scheme Members (observer)	1	4 years from date of appointment	Nominated by UNISON,
PAB Employer representative (observer)	1	A review of the PAB is due to commence by October 2016 with any changes implemented by May 2017.	PAB Nomination
PAB Employee representative (observer)	1		PAB Nomination

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The Investment Steering Committee is supported in the execution of its responsibilities by two investment advisers (one independent and one institutional) and staff from the Authority's Pension Fund function.

The Committee meets routinely on six occasions each year. Four of those meetings are primarily to meet with investment managers in order to review the performance of the investment managers against their benchmarks but two meetings each year in February and July are set aside for the consideration of ongoing investment strategy.

In addition special meetings of the Committee are held when required for the discharge of its functions in regard to such matters as the selection and appointment of investment managers.

The Essex Pension Fund Advisory Board (PAB)

The Essex Pension Fund Advisory Board is composed as follows:

Representing	No	Term of Office	Comments
Independent Chair (non-voting)	1	A review of the PAB is due to commence by October 2016 with any changes implemented by May 2017	
Essex County Council	1		
District/Borough Councils in Essex	1		Nominated by Essex Borough and District Leaders"/Chief Executives" Meeting
Unitary Councils in Essex	1		One from either Southend-on-Sea and Thurrock Councils
Smaller Employing Bodies	1		Essex Fire Authority
Scheme Members	3		2 deferred and 1 active member
Scheme Member	1		Nominated by UNISON
Total	9		

The Essex Pension Fund Advisory Board is appointed by Essex County Council as its Local Pensions Board in accordance with section 5 of the Public Service Pensions Act 2013 and Part 3 of the Local Government Pension Scheme Regulations 2013.

The Essex Pension Fund Advisory Board has no delegated decision making ability, on behalf of Essex County Council.

With the exception of the Chair, who has no vote, all members of the Board have equal voting rights.

There are no substitute members.

| The Pension Advisory Board is supported in the execution of its responsibilities by [officers staff](#) from the Authority's Pension Fund function as well as advisers to the fund such as the Independent Governance and Administration Adviser and other advisers as considered necessary (e.g. the Fund Actuary, institutional investment adviser).

| The Pension Advisory Board meets [at least twice three times](#) per year.

The Pension Advisory Board will follow the dedicated EPF training plan which includes specific internal training sessions in order they may maintain an appropriate level of knowledge and skills to perform their role effectively.

The Pension Advisory Board reports its activities at the end of each financial year to the Authority and will be publicly disclosed.

ACCESS Pension Fund Pool Joint Committee in respect of Pensions

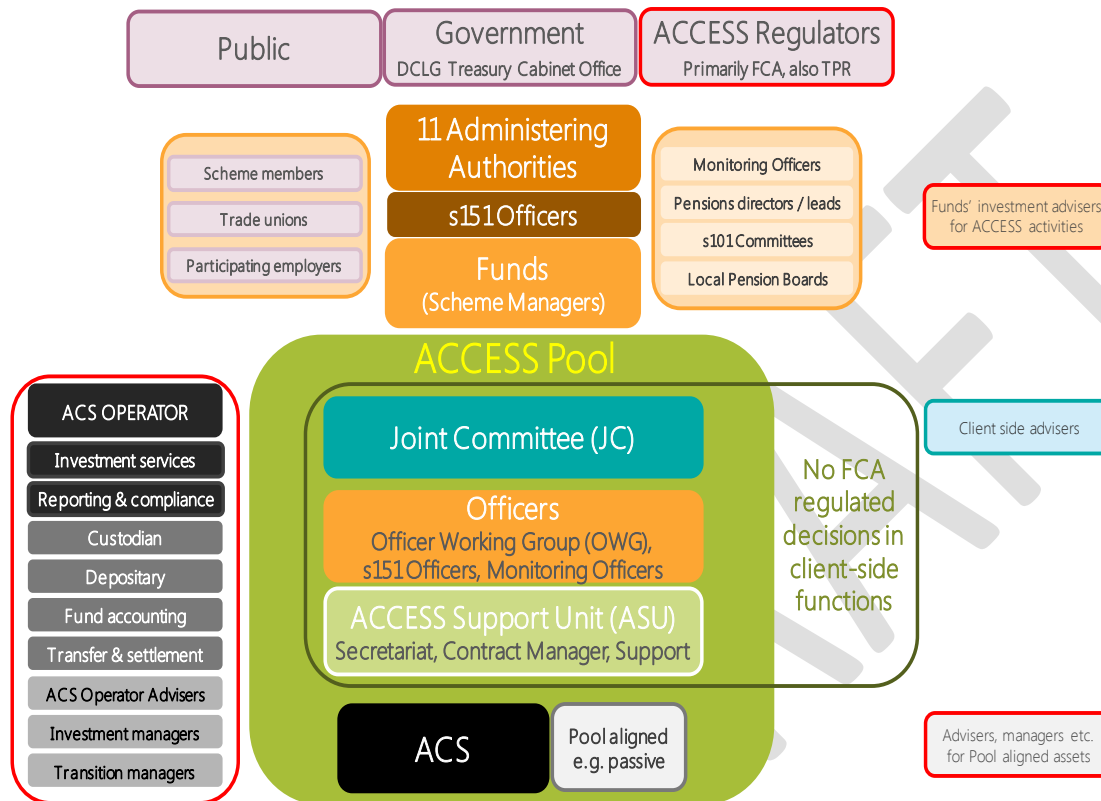
The ACCESS Pension Fund Pool Joint Committee is composed as follows:

- Cambridgeshire County Council
- East Sussex County Council
- Essex County Council
- Hampshire County Council
- Hertfordshire County Council

- Isle of Wight Council
- Kent County Council
- Norfolk County Council
- Northamptonshire County Council
- Suffolk County Council
- West Sussex County Council

With the advent of investment pooling, the above LGPS funds participate in a new structure of investment governance. The Joint eCommittee within the ACCESS pool is made up of the 11 Heads of the pension committees of the 11 participating LGPS funds. There are two other bodies that are part of this structure;— the Officer Working group comprised of officers advising the Joint Committee and the ACCESS support unit, providing business support functions.

The following diagram details the structure;

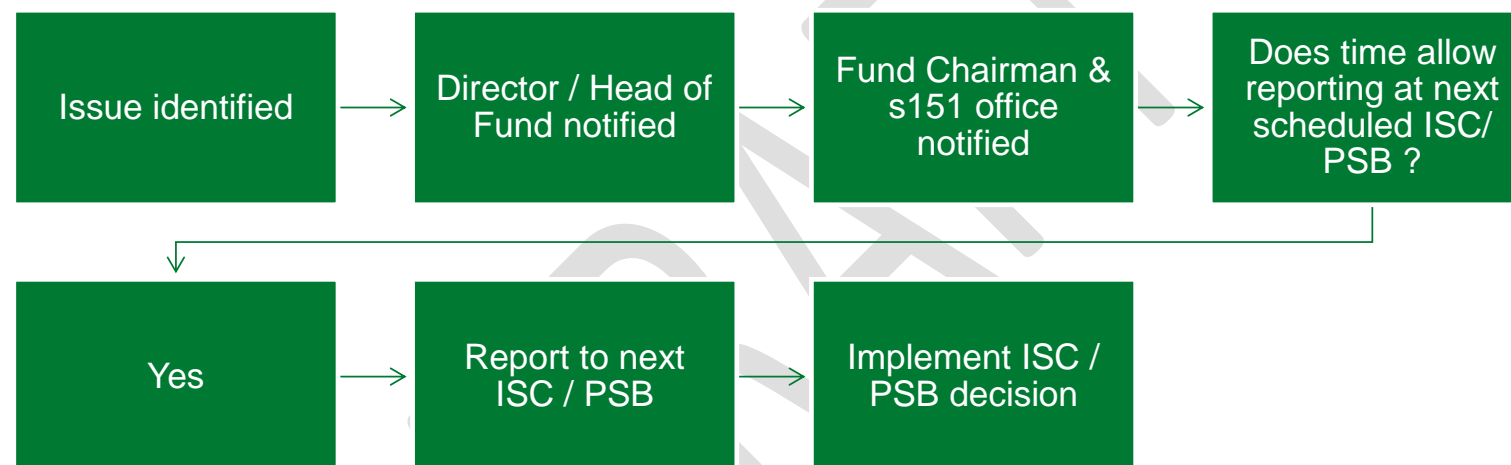


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The Fund's decision making process

The overwhelming majority of decisions required to be made by the ISC or PSB are tabled sufficiently in advance to allow members to receive appropriate briefings and make the decision within the normal meeting cycle.

1) The Process used when there is time to allow a decision to be made at the next scheduled ISC / PSB:



However the Fund recognises that good governance requires that on occasion the ISC or PSB can respond to urgent matters by taking decisions promptly outside of the normal meeting cycle. On such occasions the following processes may be adopted:

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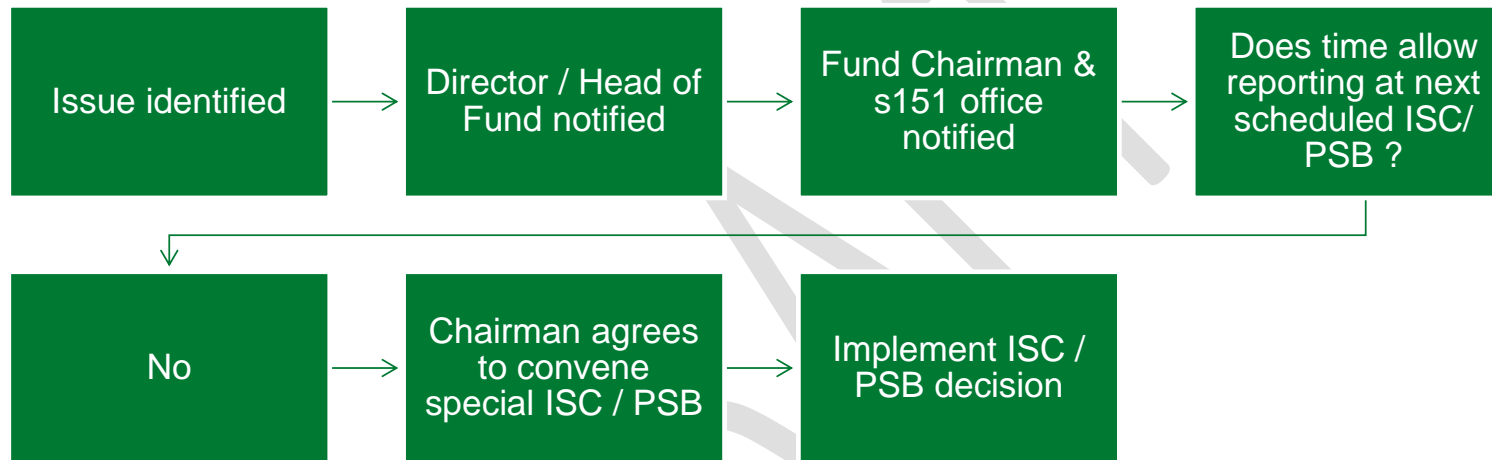
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2. The process to be used when the Chairman agrees to convene a special ISC / PSB meeting:

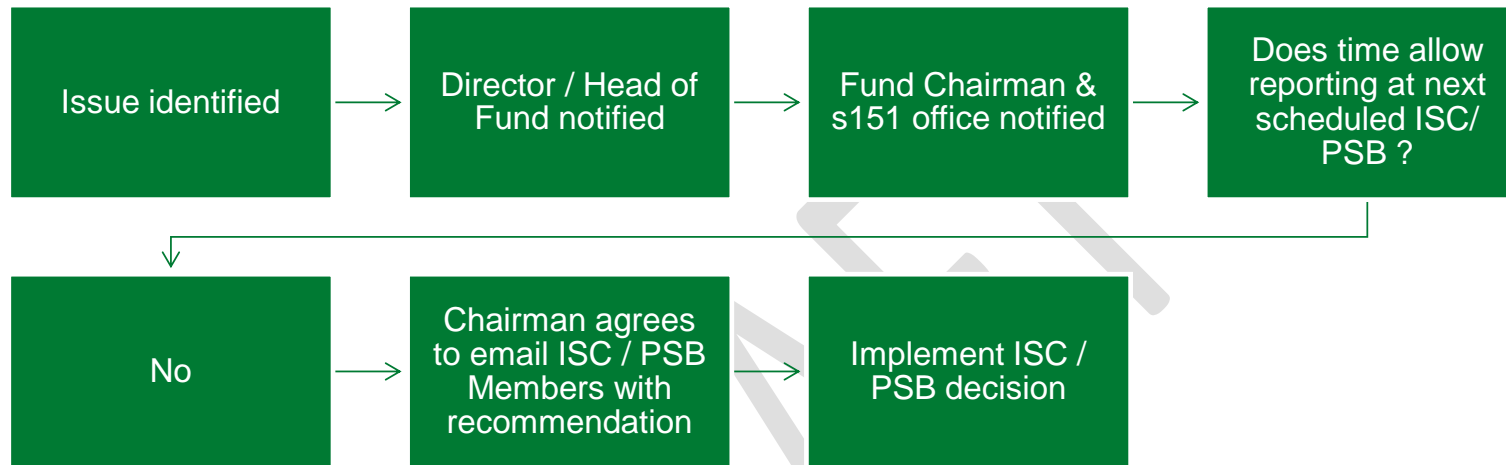


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3. The process when there is neither the time for the next scheduled meeting or to convene a special ISC /PSB meeting and the Chairman agrees to email ISC / PSB members with the recommendation:



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Governance Compliance Statement: Section 101 Committees

As can be seen, Essex Pension Fund governance arrangements in respect of the PSB and ISC are fully compliant with the most recent guidance issued by the Secretary of State for Housing, Communities and Local Government¹ (issued in 2008):

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¹At the time the guidance was issued the Ministry of Housing, Communities and Local Government was named the Department for Communities and Local Government.

Description of Principle	Essex Pension Fund's Position	Future Action
A Structure		
i. the Management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	The Essex Pension Fund Strategy Board was established as the Essex Pension Fund Board in 2008, changing its name on 1 st April 2015 following the formation of the Essex Pension Fund Advisory Board. It is an overarching body to oversee the functions of the County Council as Administering Authority of the Fund, except where they have been specifically delegated to another committee or officers.	The Fund has developed a rolling three year business plan, which includes the training, development and effectiveness of the Pension Strategy Board and ISC. This plan is reviewed quarterly.
ii. that representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Its functions include monitoring the administration of the Pension Scheme, exercising Pension Fund discretions and determining Pension Fund policy towards employer admission arrangements. Membership of the Pension Strategy Board is drawn from the County Council as well as other scheme employers and member representatives. All representatives have full voting rights and receive appropriate training and development.	
iii. that where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	In addition to the Pension Strategy Board the Fund has also put in place an Investment Steering Committee (ISC). The role of the ISC is to oversee and approve all matters related to the Fund's investments. Their main role is to decide asset allocation, appoint investment managers and periodically review and monitor investment manager performance. All decisions of the ISC are ultimately ratified by the Pension Strategy Board.	
iv. that where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Membership of the ISC is drawn from the County Council representatives of the Pension Strategy Board, all of which have full voting rights as well as employer and member representatives from the Pension Strategy Board (who have observer status only).	

Description of Principle	Essex Pension Fund's Position	Future Action
<p>B Representation</p> <p>(a) that all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <p>(i) employing authorities (including non-scheme employers, e.g. admitted bodies);</p> <p>(ii) scheme members (including deferred and pensioner scheme members);</p> <p>(iii) independent professional observers;</p> <p>(iv) expert advisers (on an ad hoc basis).</p> <p>(b) that where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.</p>	<p>The terms of reference of both the PSB and the ISC set out the term of office for individual members. The terms of reference of the Pension Strategy Board also sets out the mechanism by which representatives from different sectors of scheme employers are able to volunteer for membership of the Pension Strategy Board. For example:</p> <ul style="list-style-type: none"> • District and Borough Council representatives are nominated by the Leaders/Chief Executives of those organisations; • Member representatives are nominated by the individual unions; and • Small employing body representatives are nominated following voting by eligible employers attending the Pension Fund Employer Forum <p>All members of the PSB and ISC are treated equally in terms of provision of meeting papers, opportunity to contribute (full voting rights on the Pension Strategy Board) and knowledge and skills training.</p> <p>In addition, the Pension Strategy Board has appointed an independent governance and administration adviser to assist the Pension Strategy Board and its officers.</p>	

Description of Principle	Essex Pension Fund's Position	Future Action
<p>C Selection and Role of Lay Members</p> <p>(a) that committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.</p> <p>(b) that at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.</p>	<p>This is clearly set out in the terms of reference of both the PSB Board and ISC.</p>	<p>Continually monitor and review to ensure that the functions of the PSB and ISC remain appropriate.</p>
<p>D Voting</p> <p>(a) the policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p>All members of the Pension Strategy Board have full voting rights. While voting rights of the ISC is limited to the County Council members only, this reflects the fact that ultimately it is the County Council that has the legal responsibility to pay all benefits from the Fund.</p> <p>The observer members of the ISC will of course have full voting rights as members of the PSB, when considering any decisions taken by the ISC that are subsequently referred to the PSB.</p>	<p>Continually monitor and review to ensure appropriate.</p>

Description of Principle	Essex Pension Fund's Position	Future Action
<p>E Training/ Facility Time/ Expenses</p> <p>(a) that in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p> <p>(b) that where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.</p>	<p>The Fund has put in place a comprehensive knowledge and skills training strategy in place, which covers all aspects of the CIPFA knowledge and skills framework and the Pension Regulator Modules.</p> <p>The document sets out the strategy agreed by the Pension Strategy Board concerning the training and development of:</p> <ul style="list-style-type: none"> • all the members of the Pension Strategy Board and the ISC; and • the officers of the Essex Pension Fund responsible for the management of the Fund. <p>The training strategy was established to aid members of the PSB and the ISC in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the decision making responsibility put upon them.</p> <p>In addition the Pension Fund has developed a full training strategy and plan, which ensures the Pension Fund is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p> <p>Member Allowance Scheme is set out in the ECC Constitution for the members carrying out their Board/Committee decision making responsibilities. Allowances are limited to the County Council members only.</p> <p>All costs associated with the attendance of training/conferences away from County Hall for all Board/Committee members that are relevant and within the training strategy plan are met by the EPF.</p> <p>Participating employers are also encouraged to allow facilities' time where relevant.</p>	<p>A training plan timetable has been formed and will be implemented over a rolling 3 year period.</p>

Description of Principle	Essex Pension Fund's Position	Future Action
<p>F Meetings – Frequency</p> <p>(a) that an administering authority's main committee or committees meet at least quarterly.</p> <p>(b) that an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.</p> <p>(c) that administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.</p>	<p>The PSB and ISC meet a minimum of four times a year.</p> <p>Meetings of both the PSB and ISC are arranged so that outputs from the ISC are available to the Pensions Strategy Board in a timely manner.</p>	

Description of Principle	Essex Pension Fund's Position	Future Action
G Access (a) that subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	All members of the Pension Fund Strategy Board PSB and ISC are provided access to all committee papers and documentation via the Pension Fund's on-line portal infoBOARD. ECC Members are also able to access all Committee/Board papers via CMIS.	
H Scope (a) that administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	The role of the Pension Fund Strategy Board PSB is to consider all aspects of the management and administration of the Essex Pension Fund. While certain day-to-day responsibilities have been delegated to officers and investment decisions to the ISC, via the County Council's scheme of delegation the Pension Fund Strategy Board PSB 's remit includes monitoring the administration of the pension team, exercise of administering authority discretions and determining the Fund's policy in relation to the admission of new employers.	
I Publicity (a) that administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Full details of the governance arrangements of the Essex Pension Fund are contained within this Statement as well as additional detail being included within the Pension Fund Annual Report, which is available on the Fund's website www.essexpensionfund.co.uk .	

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Governance Compliance Statement: Essex Pension Fund Advisory Board

At present the latest guidance issued by the Secretary of State for [Housing](#), Communities and Local Government does not extend to the governance arrangements of ~~the newly formed~~ local [pensions Boards](#) ~~such as the~~, the Essex Pension Fund Advisory Board (PAB). The following table sets out how the PAB complies with the requirements applicable to local pension boards, as set out in the LGPS Regulations, Scheme Advisory Board Guidance and The Pensions Regulator's Code of Practice No. 14.

Requirement	Essex Pension Fund's Position	Future Action
A - LGPS 2013 Regulations		
Where the Scheme manager is a committee of a local authority the local pension board may be the same committee if approval in writing has been obtained from the Secretary of State.	<p>The PAB has been set up as a separate, stand-alone Board. Essex County Council has not taken steps to seek Secretary of State approval for the setting up of a joint arrangement with the PSB.</p> <p>An 18 month review was undertaken in October 2016 and although changes were implemented in May 2017, there was no move to combine the pension board and committee.</p>	The County Council will monitor the appropriateness and effectiveness of the PAB periodically and will implement changes as and when required.
Where the administration and management of a Scheme is wholly or mainly shared by two or more administering authorities, those administering authorities may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.	The Essex Pension Fund is solely managed by Essex County Council.	
Only employer and scheme member representatives shall be entitled to vote	Although the PAB has an independent Chair voting rights only extend to the employer and member representatives	

Requirement	Essex Pension Fund's Position	Future Action
<p>The administering authority has established a fair and transparent process for the appointment of local pension board members</p>	<p>The terms of reference of the PAB set out the term of office for individual members. The terms of reference of the PAB also sets out the mechanism by which representatives from different sectors of scheme employers are able to volunteer for membership of the PAB. For example:</p> <p>Employers Representatives</p> <ul style="list-style-type: none"> • District and Borough Council representatives are nominated by the Leaders/Chief Executives of those organisations; and • Small employing body representatives are nominated following voting by eligible employers attending the Pension Fund Employer Forum. <p>Member Representatives</p> <ul style="list-style-type: none"> • Member representatives are nominated by the individual unions; and • by members individually. <p>All members of the PAB are treated equally in terms of provision of meeting papers, opportunity to contribute (full voting rights) and knowledge and skills training.</p> <p>In addition, the Pension Fund Strategy Board has appointed an independent governance and administration adviser to assist the both the PSB and its officers.</p>	

Requirement	Essex Pension Fund's Position	Future Action
The local pension board consists of at least 4 members of whom 2 are employer representatives and 2 scheme member representatives	<p>The PAB includes a membership of 4 employer and 4 member representatives and an independent Chair. Each of the 4 employer and 4 member representatives has equal voting rights. The independent Chair has no voting rights.</p> <p>The PAB has no delegated decision making powers.</p>	

Requirement	Essex Pension Fund's Position	Future Action
<p>Employer and scheme member representatives have the capacity to represent their constituency.</p>	<p>The Fund has put in place a comprehensive knowledge and skills training strategy in place, which covers all aspects of the CIPFA knowledge and skills framework.</p> <p>The document sets out the strategy agreed by the PAB concerning the training and development of its members.</p> <p>The training strategy was established to aid members of the PAB in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the responsibilities put upon them.</p> <p>In addition the Pension Fund has developed a full training strategy and plan, which ensures the Pension Fund, is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p>	<p>A training timetable plan has been formed and will be rolled out from 2016 be rolled out over a rolling 3 year period.</p>

Requirement	Essex Pension Fund's Position	Future Action
<p>Where the local pension board is not a joint body also exercising delegated decision making powers;</p> <p>a) no officer or elected member of the administering authority who is also responsible for the discharge of functions under LGPS 2013 may be a member of the local pension board, and</p> <p>b) any elected member of the administering authority who is a member of the pension board must be an employer or scheme member representative.</p>	<p>No officer or elected member on the PAB has any responsibility for the discharge of function under the LGPS Regulations as part of their normal duties.</p>	
<p>No person to be appointed to the pension board may have a conflict of interest.</p>	<p>All members of the PAB are required to adopt and adhere to the County Council's published conflict of interest policy. Where any conflict or potential conflict is identified it must be declared and any remedial action taken to resolve the conflict or potential conflict must be carried out in accordance with the County Council's stated conflicts policy in place at that time</p>	
<p>No member of a pension board may have a conflict of interest.</p>	<p>All members of the PAB are required to adopt and adhere to the County Council's published conflict of interest policy. Where any conflict or potential conflict is identified it must be declared and any remedial action taken to resolve the conflict or potential conflict must be carried out in accordance with the County Council's stated conflicts policy in place at that time.</p>	

Requirement	Essex Pension Fund's Position	Future Action
B – Training		
There is a clear policy on training which complies with the Pension Regulator's code of practice no. 14	<p>The Fund has put in place a comprehensive knowledge and skills training strategy in place, which covers all aspects of the CIPFA knowledge and skills framework and the Pension Regulator modules.</p> <p>The document sets out the strategy agreed by the PAB concerning the training and development of its members.</p> <p>The training strategy was established to aid members of the PAB in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to challenge and act effectively within the responsibilities put upon them.</p> <p>In addition the Pension Fund has developed a full training strategy and plan, which ensures the Pension Fund, is managed, and its services delivered, by people who have the appropriate knowledge and expertise and that they act with integrity and accountability to all stakeholders and decisions, ensuring they are robust and well-based.</p>	<p>Training Strategy will be updated in 2018/19.</p>
C - Expenses and facility time		

Requirement	Essex Pension Fund's Position	Future Action
There is a clear policy on the reimbursement of expenses and use of facility time	<p>Provision has been made in the accounting procedures to identify the costs incurred in the establishment and operational costs of the local pension board. Participating employers are also encouraged to allow facilities' time where relevant.</p> <p>All Employer and Scheme Member Representatives will be entitled to claim travel and subsistence allowances in accordance with the Essex County Council Members' Allowance Scheme as set out in the Council's constitution.</p> <p>Expenses will only be payable in connection with PAB business including attendance at PAB, PSB or ISC meetings, training courses or conferences. Any external training courses, seminars or conferences require prior approval by the Director for Essex Pension Fund".</p>	
D - Conduct of members		
The members of a Local Pension Board should have regard to the 'Seven Principles of Public Life' ("the Nolan Principles")	All members of the PAB will have been made aware of the Seven Principles of Public Life as part of their initial induction and as part of regular reminders in ongoing training and development.	
E - Reporting Breaches		
There should be a policy in place for the reporting of breaches of the law.	It is the responsibility of all members of the PAB to understand their individual and collective responsibilities in this area and to familiarise themselves with the steps they should follow in the event a breach of the law is suspected.	

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Requirement	Essex Pension Fund's Position	Future Action
F - Internal reporting		
There should be a clear mechanism for the Pension Board to report its requests, recommendations or concerns	This is covered within the PAB terms of reference	

