

## **Minutes of the meeting of the Essex Pension Fund Strategy Board held in Committee Room 2, on 7 March 2018**

### **Present:**

#### **Essex County Council**

Cllr S Barker	(Chairman)
Cllr A Davies	(Labour Group Substitute)
Cllr A Erskine	(Conservative Group Substitute)
Cllr A Goggin	
Cllr T Hedley	
Cllr C Souter	

#### **District/Borough Councils in Essex**

Cllr C Riley	Castle Point District Council
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#### **Unitary Councils**

Cllr A Moring	Southend-on-Sea Borough Council
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#### **Scheme Members**

Mrs S Child

#### **Smaller Employing Bodies**

Jenny Moore

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

Andrew Coburn (Unison)  
Mark Paget  
Paul Hewitt

The following officers and advisors were also present in support:

Kevin McDonald	Director for Essex Pension Fund
Jody Evans	Head of Essex Pension Fund
Ian Colvin	Independent Governance and Administration Advisor (IGAA) (Hymans Robertson LLP)
Sara Maxey	Employer Relationship Manager
David Tucker	Employer Liaison Manager
Sophie Campion	Senior Democratic Services Officer, Essex County Council

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

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

1. The membership of the Board was noted.

2. Apologies had been received from Cllr Lee Scordis with Cllr Allan Davies as Substitute and from Cllr Stephen Canning with Cllr Andy Erskine as Substitute.
3. The Chairman requested Members declare any interests as appropriate. Councillors S Barker and C Souter declared they were in receipt of an Essex LGPS pension, Councillor A Goggin declared his wife, sister and brother-in-law are in receipt of an Essex LGPS pension and Councillor A Davies declared that he had a deferred Essex LGPS pension.

## **2. Minutes**

The minutes of the meeting of the Essex Pension Fund Strategy Board held on 18 December 2017 were approved as a correct record and signed by the Chairman.

## **3. LGPS Governance**

The Board received a presentation from the Independent Governance and Administration Adviser, setting out the current LGPS Governance arrangements.

During the discussion it was acknowledged that there were likely to be changes to the governance landscape in the future.

### **Resolved:**

That the Board noted the presentation.

## **4. Governance Policy & Compliance Statement Review**

The Board received report (EPB/01/18) from the Independent Governance and Administration Adviser and Director for Essex Pension Fund, to make Members of the Board aware of the process for reviewing the Fund's Governance Compliance Statement.

The Governance Compliance Statement was last updated at the meeting of the Board in July 2016. It was proposed that the Independent Governance and Administration Adviser and the Fund's officers carry out a further review of the policy in order to reflect any substantive changes. The review process would include input from the Pension Fund Advisory Board. The updated policy would be brought to the July meeting of the Board for consideration.

During consideration of the report the following points were made:

- It was clarified that the decision-making process had been revised with a formalised process of decision-making outside of meetings.
- The policy gave an oversight of elements in the Fund but did not include Pooling.
- The Chairman requested that use of the word 'access' be changed in the policy as ACCESS was the name of the Pension Fund Pool.

- It was requested that any changes to the policy be highlighted through track changes when the revised policy was brought back to the Board for consideration.

### **Resolved:**

That the Board agreed the timetable for a review of the Fund's Governance Compliance Statement.

## **5. Update on Pension Fund Activity**

The Board received report (EPB/02/18) by the Director for Essex Pension Fund and Head of Essex Pension Fund, and appendices A(i) 2017/18 Business Plan, A(ii) Three year Business Plan, B Risk Management – Risk Register and C Measurement against Fund Objectives – Scorecard.

There were a large number of actions stemming from the objectives in the 2017/18 and 2018/19 Business Plans. The table below sets out the key differences between the actions in each year's Plan:

<b>Number</b>	<b>Action</b>	<b>Comment</b>
<b>3</b>	Board member's web based knowledge centre	Specific coaching on <i>infoBOARD</i> will be incorporated within action 2, the wider training plan
<b>16</b>	Auto enrolment	The initial transitional phase concluded in 2017. This is now a part of Business as Usual (BAU)
<b>20</b>	Implementation of General Data Protection Requirements (GDPR)	NEW ACTION FOR 18/19 Review systems and data handling to ensure compliance with GDPR

Within the Risk Register two areas were highlighted as having changed (lower) scores since the last meeting:

- MiFID II – All required MiFID II “opt up” tasks on each of the Fund's mandates were completed in time for the 3<sup>rd</sup> January deadline. New mandates and pooled arrangements will require further MiFID II op ups.
- Surviving Co-habitees – Following a Supreme Court ruling in Northern Ireland in the case of Ms Brewster and a ruling in England against Essex County Council as administering authority of the Pension Fund in the case of Ms Elmes, that no prior nomination was required for cohabiting partners to receive an entitlement (Death Benefit), work was now underway for a case by case review of cohabiting partners' pensions.

During consideration of this item the following points were raised:

- With regard to the cohabiting partners case by case review it was reported that there were thought to be around 30 possible cases in the six year period. The full judgement and legal clarity was still awaited. The case by case review would look at every death where no married benefit was paid out to establish whether the cohabiting partner entitlement was applicable.

With regard to the Scorecard, Members were advised that as a consequence of the resignation of Ms Hunt from her position as a scheme member representative on the Pension Advisory Board (PAB), a further appointment process would be necessary. The Board was advised that the appointment process which had taken place in 2015 had involved an advert, nominations for candidates, an initial discussion with Members and officers about the role and then an interview by the Appointment Sub-Committee. It was proposed that the same approach be taken to fill the current vacancy.

During the discussion on a process of appointment to the PAB the following points were made:

- It was suggested that an advert would need to be placed for a sufficient period of time. The 7 April 2018 was suggested as a closing date for nominations.
- The Appointment Sub-Committee would need to be held in mid-May 2018.
- Councillors C Riley and C Souter volunteered to sit on the Appointment Sub-Committee
- It was hoped that the process could be undertaken in time for the next PAB meeting which was due to be held in early June 2018.

**Resolved:**

That the Board noted:

- progress against the 2017/18 business plan
- the 3 year business plan
- the current risks with a residual score of six or above
- the latest scorecard measures

That the Board agreed:

- the detailed actions proposed for the 2018/19 business plan
- the approach to fill the current vacancy on the Pension Advisory Board as set out above.

## **6. Review of Fund Objectives and Risks**

The Board considered report (EPB/03/18) by the Independent Governance and Administration Adviser, setting out proposed changes to the Fund's Objectives.

During consideration of this report the following points were raised:

- It was clarified that the Fund has explicit objectives with a structured approach feeding into the scorecard. Not all Pension Funds have this structured approach.
- It was confirmed that there was an objective around delivering information in a way that suits all types of stakeholder. Whilst it was acknowledged that increasing use of digital communication could potentially make significant savings, this would not be appropriate for communicating with all stakeholders.

### **Resolved:**

That the Board agreed the proposed changes to the Fund's Objectives.

## **7. Review of Administration Strategy**

The Board received report (EPB/04/18) from the Head of Essex Pension Fund, updating the Board on progress with a review of the Fund's administration strategy.

Following an initial review by officers it was recommended that a full review be undertaken. A timetable for the review was set out. This would assist in achieving some of the Fund's objectives for the next year.

Members requested that any proposed changes to the administration strategy be highlighted through track changes for the Board to consider.

### **Resolved:**

That the Board noted the intended timetable for reviewing the administration strategy.

## **8. Pension Advisory Board (PAB) Quarterly Report**

The Board received report (EPB/05/18) by the Director for Essex Pension Fund and the Head of the Essex Pension Fund, providing an update on PAB activity since the last Board meeting.

### **Resolved:**

That the Board noted the report.

**9. Investment Steering Committee (ISC) Quarterly Report**

The Board received report (EPB/06/18) by the Investment Manager, providing a report on ISC activity since the last Board meeting.

During consideration of this report the following points were raised:

- Link had been signed off as the provider for ACCESS LGPS Pool Operator Services.
- There were 6 monthly reporting deadlines for pooling to the Minister. Templates for consistent reporting were due to emerge in due course.

**Resolved:**

That the Board noted the report.

**10. Schedule of Future Meetings**

The Board agreed the schedule of meeting dates for the next municipal year as set out below. It was confirmed that all meetings would commence at 1pm:

Pension Strategy Board

4 July 2018

12 September 2018

19 December 2018

6 March 2019

Investment Steering Committee

27 June 2018

18 July 2018

17 October 2018

28 November 2018

20 February 2019

27 March 2019

**11. Exclusion of the Public and Press****Resolved:**

That, having reached the view that, in each case, the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as specified in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

**12. Colleges and Higher Education and Funding Strategy Update**

The Board considered report (EPB/07/18) by the Director for Essex Pension Fund.

**Resolved**

That the Board noted the report.

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

**Chairman**