

**Minutes of a meeting of the Essex Pension Fund Board held at 2.00 pm at County Hall, Chelmsford on 17 September 2014**

Present:

**Member****Essex County Council**

Cllr R L Bass (Chairman)  
Cllr S Barker  
Cllr K Clempner  
Cllr N J Hume  
Cllr N Le Gresley  
Cllr J Whitehouse

**District/Borough Councils in Essex**

Cllr J Archer Maldon District Council

**Unitary Councils****Essex Fire****Authority**

Cllr C Seagers

**Scheme Members****Smaller****Employing Bodies**

J Moore

**Police and Crime****Commissioner**

C Garbett

The following Members were also present:

Cllr K Bobbin

The following officers and advisers were also present in support:

Samantha	Andrews	Investment Manager Pension Team
Jody	Evans	Head of Essex Pension Fund
Kevin	McDonald	Director for Essex Pension Fund
Barry	Mack	Independent Governance and Administration Adviser (IGAA) (Hymans Robertson LLP)*
Sara	Maxey	Employer Relationship Manager
Matt	Mott	Communications Manager for Essex Pension Fund
Graeme	Muir	Fund Actuary (Barnett Waddingham)*
Ian	Myers	Secretary to the Board
David	Tucker	Employer Liaison Manager

\*present for items 1 to 12

**1. Apologies for Absence**

Apologies for absence were received from Cllr Rice and Keith Blackburn.

**2. Declarations of Interest**

The Chairman requested Members declare any interests as appropriate.

**3. Minutes**

**Resolved:**

That the minutes of the Essex Pension Fund Board held on 9 July 2014 be approved as a correct record and signed by the Chairman.

**4. Interim Review**

The Board considered a joint report (EPB/23/14) by the Fund Actuary, Director of Essex Pension Fund and Head of Essex Pension Fund.

Members were informed that an interim review is carried out when a full actuarial valuation is not required. Although it is a lighter touch it will identify any significant changes.

Graeme Muir (Barnett Waddingham) updated Members on:

- How the valuation is carried out
- The valuation of the fund as at 31 March 2013
- Activity since that date
- The position as at 31 March 2014
- Future activity

Members noted that it has been a good first intervaluation year, funding levels are ahead of target and that no change in the funding strategy is required

**Resolved:**

That the report be noted.

**5. Local Government Pension Scheme Reform**

**A Structural Reform**

The Board received a verbal update from the Director for Essex Pension Fund on the DCLG Consultation on 'Opportunities for collaboration, cost savings and efficiencies'.

Members were informed a response to the consultation had been made and the outcome awaited. It was agreed that should there be any developments a report would be made to the Investment Steering Committee if appropriate.

## **B Governance Reform**

The Board considered a report (EPB/24/14) by the Director of Essex Pension Fund and the Independent Governance and Administration Adviser concerning the draft regulations on scheme governance.

Members noted the Fund's response to the consultation (as set out in Annex A to the report) together with the implementation timetable.

Membership and terms of reference of the Governance Working Group were also noted. Members agreed that guidance and input from the Board prior to the first meeting of the Working Group would be helpful.

Members also agreed that an implementation 'go-live' date of 1 April 2015 was extremely challenging and that as a result the score for the risk "*Failure of governance arrangements to match up to recommended best practice leads to loss of reputation and employer confidence and/or need to make major changes at short notice*" now exceeds the key residual risk threshold of 6.

### **Resolved:**

That the reports be noted.

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

The Board considered a joint report (EPB/25/14) by the Director of Essex Pension Fund and Head of Essex Pension Fund.

Members noted in particular the following:

### Business Plan

Work on the project has continued and it remains on track. Dual running of the new administration system provided by CIVICA is due to commence in October. Members will be provided with a progress report at the December meeting of the Board.

### Risk Register

The one red risk stems from the late issuance of the transitional regulations resulting in a greater reliance on manual calculations until the new system has been fully tested and deployed.

### Scorecard

A revision in the Fund's annual investment performance from 8.7% to 9.2% was reported. An amended process has been put in place and the work of the Custodian will be closely monitored.

It was noted that the scores relating to knowledge and expertise were below that desired – the IGAA encouraged Members to avail themselves more of the training and conference sessions on offer. Together with the Director for Essex Pension Fund, the IGAA also offered additional refresher sessions including those relating to the CIPFA knowledge & skills framework.

For the first time since the inception of the Essex Pension Fund Board's scorecard in 2010, all operational measures across a full range of administration activities for the year 2013/14 exceeded target and were rated as green. These reflect turnaround times for all administration processes including the provision of retirement estimates, transfer quotations, pension and lump sum payment notifications.

**Resolved:**

That the report be noted.

**7. Essex Pension Fund 2013/14 Accounts**

The Board considered a report (EPB/26/14) by the Executive Director for Corporate Services and Customer Operations which detailed the Pension financial statements for 2013/14.

**Resolved:**

That the report be noted.

**8. External Auditors Report**

The Board considered a report (EPB/27/14) by EY, External Auditors of the Essex Pension Fund.

Members were informed there were no matters to bring to their attention.

**Resolved:**

That the report be noted.

**9. Administering Authority Discretions for the 2014 Scheme**

The Board considered a report (EPB/28/14) by the Head of Essex Pension Fund.

Members were informed the Policy had been reviewed by the Fund Actuary, Legal Services and the IGAA. Some minor changes had been incorporated into the document but there were no material matters to report.

The Chairman requested that management information in the form of a quarterly analysis and trends be provided in future.

**Resolved:**

That the report be noted.

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

The Board considered a report (EPB/29/14) by the Director of the Essex Pension Fund detailing ISC activity since the last Board meeting.

**Resolved:**

That the report be noted.

**11. Date of Next Meeting**

The next Board meeting will be held at 2.00pm on Wednesday 10 December 2014 in Committee Room 2, preceded by a Member training session (details to be confirmed)

**12. Urgent Business**

There was no urgent business.

**13. Exclusion of the Press and Public**

**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 item of business on the grounds that they involved the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**14. Procurement Update**

(Exempt under paragraph 3 – information relating to the financial business affairs of a particular person)

The Board considered a report (EPB/30/14) concerning the re-tender of the position of Independent Governance & Administration Adviser.

**Resolved:**

- (i) That the report be noted
- (ii) That the recommendations concerning the re-tender arrangements be agreed

There being no further business, the meeting closed at 3.25pm.

Chairman