

Essex Pension Fund Strategy Board	PSB 05b(i)
Date: 15 December 2021	

Essex Pension Fund Advisory Board (PAB) Quarterly Report

Report by the Compliance Manager

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This Report is for noting

Executive Summary

The Essex Pension Fund Strategy Board (PSB) meeting that was held on 22 September 2021 was discussed in full and no issues were raised.

In addition, Members discussed the process and timeline of the PAB's Effectiveness Review being undertaken by the Fund's Independent Governance and Administration Adviser (IGAA).

1. Purpose of the Report

- 1.1 To provide the Board with an update on the PAB activity since the last Board meeting.

2. Recommendations

- 2.1 That the Board should note the content of the report.

3. Background

- 3.1 The Essex Pension Fund Advisory Board (PAB) was established as the Local Pensions Board for Essex in accordance with Section 5 of the Public Service Pension Act 2013 and Part 3 of the Local Government Pension Scheme (LGPS) Regulations 2013.
- 3.2 Since the PSB's last meeting, the PAB has met on one occasion on the 22 September 2021.

4. Report of the meeting of PAB on 22 September 2021

- 4.1 The PAB received a report from the Director for Essex Pension Fund outlining the work undertaken by the PSB at their 22 September 2021 meeting which had taken place that morning.
- 4.2 Points covered were:
- the outcome of the Training Needs Analysis (TNA) undertaken with Members of the PSB, Investment Steering Committee (ISC) and PAB along with the proposal to sign up to the LGPS Online Learning Academy (LOLA) which was subsequently agreed;
 - the update in regard to the delay in the External Audit Completion Report and that it would be unlikely to meet the deadline for the November 2021 Audit, Governance and Standard Committee meeting;
 - the good progress noted against the Business Plan with thirteen areas of activity completed;
 - the noting of the 7% underspend against the Fund's Budget;
 - the PAB's continuation of a red Scorecard Measure due to the vacant Scheme Member representative position;
 - the downgrading of Risk's G9 (failure to undertake Business as Usual) and A1 (failure to administer the scheme correctly) reverting back to their target score of 6 both as a result of the minimal impact to BAU throughout the Pandemic and the lifting of restrictions;

- the update in regard to the vacant PAB Scheme Member position and the approval to commence the PAB Independent Chairman recruitment;
 - the outcome of the Printing and Posting procurement with Adare Sec appointed as the Fund's Printing and Posting supplier;
 - the final responses to the HM Treasury Consultations for the Discount rate methodology and Cost control mechanism;
 - the training provided to the PSB in regard to the Wider LGPS Landscape;
 - the updates in regard to Employer Liquidations; and
 - the termination of the combination of Aon with Willis Towers Watson.
- 4.3 The PAB considered a report by the IGAA in regard to the PAB's Governance Effectiveness Review which outlined a suggested timeline for the Review to be undertaken, which also included that the final outcome of the Review be reported back to the PSB at their 23 March 2022 meeting.

5. Link to Essex Pension Fund Objectives

- 5.1 Ensure compliance with the LGPS regulations, other relevant legislation, and the Pensions Regulator's Codes of Practice.

6. Risk Implications

- 6.1 Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/LGPS reforms and systems not kept up-to-date leading to reputational damage and financial loss.

7. Background Papers

- 7.1 PAB Agenda and Notes of 22 September 2021 meeting.
- 7.2 PSB Minutes of 22 September 2021 meeting.