

**Minutes of a meeting of the Essex Pension Strategy Board held at 2.00 pm
at County Hall, Chelmsford on 16 September 2015**

Present:

**Member
Essex County Council**

Cllr R Bass (Chairman)
Cllr S Barker
Cllr K Clempner
Cllr N Hume
Cllr N LeGresley

District/Borough Councils in Essex

Cllr C Riley

Unitary Councils

Scheme Members

K Blackburn

**Smaller Employing
Bodies**

J Moore

Also in attendance were Cllr B Johnson, J Durrant, K Flowers, P Hewitt, J Hunt,
and M Paget (Members of the Essex Pension Advisory Board)

The following officers and advisers were also present in support:

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)
Matt Mott	
Graeme Muir	Communications Manager
Ian Myers	Barnett Waddingham
Samantha Andrews	Secretary to the Board Investment Manager

1. Apologies for Absence

Apologies for absence were received from Councillor Stephen Canning, Councillor Jon Whitehouse and Councillor Ron Woodley. Councillors Spence and Mackrory also sent their apologies.

2. Declarations of Interest

The Chairman requested Members declare any interests as appropriate. Cllr Colin Riley declared he was in receipt of an Essex pension.

3. Minutes

Resolved:

That the minutes of the Essex Pension Fund Board held on 8 July 2015 be approved as a correct record and signed by the Chairman.

4. Membership of the Pension Advisory Board

Members received report EPB/17/15 from the Director for Essex Pension Fund and also welcomed Members of the Essex Pension Advisory Board to the meeting.

Resolved:

That the report be noted.

5. LGPS Benefit Structure

Members received a presentation from Matt Mott, Communications Manager, on the LGPS 2014 scheme overview on CARE (Career Average Revalued Earnings).

Members noted the arrangements relating to:

- Pensionable pay and contributions
- Additional Pension Contributions (APC)
- Additional Voluntary Contributions (AVC)
- Automatic aggregation and Link to public service schemes
- Transfers in and aggregation
- Vesting
- Ancillary benefits
- Flexible retirement
- Employer responsibilities

Members noted that future training sessions would focus on the Final Salary Scheme and Protections.

The Chairman thanked the officer for his contribution and informative training session.

6. Interim Review: 31 March 2015

Members received a joint report EPB/18/15 from the Fund Actuary and the Director for Essex Pension Fund which presented an update on the interim review and assessment undertaken as at 31 March 2015 which also provided an update on the funding position.

Members discussed a number of key issues and considered the impact on the funding strategy.

The report concluded:

- This was another good intervaluation year
- The Funding level had risen to 87% at 31 March 2015

- No change in the fund strategy is required at this time.

Members were informed the next valuation will take place 31 March 2016.

Resolved:

That the report be noted.

7. LGPS Reform

Members received report EPB/19/15 from the Director for Essex Pension Fund which provided an update on developments regarding potential structural reforms of the Local Government Pension Scheme as a result of the Budget 2015 announcement and gave an update on work currently being undertaken by the national Shadow Scheme Advisory Board (SSAB)

Members were appraised of the latest developments and timeline noting in particular that the Government consultation is likely to be issued in November 2015 with the common criteria expected to be:

- Scale
- Cost
- Governance

Members also noted the SSAB has commissioned KPMG to report on potential options on the degree of separation between the Scheme manager function and the host authority. The options being:

- A stronger role for the Section 151 Officer
- A joint committee of two or more administering authorities
- LGPS complete separation of the pension fund from the host authority.

Resolved:

That the report be noted.

8. HM Treasury consultation on Exit Payment Cap

Members received report EPB/20/15 from the Director for Essex Pension Fund which shared the Fund's response to the consultation issued by HM Treasury over the summer period on a proposed exit payment cap.

Resolved:

That the report be noted.

9. Update on Pension Fund Activity

- A(i) 2015/16 Business Plan
- A(ii) Three Year Business Plan
- B Risk Management
- C Scorecard (measurement against objectives)

The Board considered a joint report EPB/21/15 by the Director for Essex Pension Fund and Head of Essex Pension Fund, which provided an update on the 2015/16 Business Plan, three year Business Plan, Risk Management and Scorecard. Members were appraised of the objectives, the risks and progress made against the objectives, noting in particular any areas of concern.

Cllr Barker thanked the Officers on behalf of the Board for their hard work on achieving the dispatch of 93% of Annual Benefit Statements by the deadline of 31 August 2015.

Resolved:

That the report be noted.

10. Investment Steering Committee (ISC) Quarterly Report

Members received report EPB/22/15 from the Director for Essex Pension Fund on ISC activity since the last Board meeting.

Resolved:

That the report be noted.

11. Knowledge and Skills Training Strategy

Members received report EPB/23/15 from the Independent Governance and Administration Adviser which proposed an updated training strategy for members of the Investment Steering Committee (ISC), Pension Strategy Board (PSB) and the Pension Advisory Board (PAB) giving them the knowledge and skills required for compliance with the CIPFA Knowledge and Skills Framework.

It was proposed to re-set credits to zero with effect from 1 April 2015 with a target of 21 credits over a rolling two year period.

The Chairman considered the recommendations to be reasonable and balanced.

Resolved:

That the report be noted and the training strategy be passed to the PAB for their consideration.

12. Essex Pension Fund 2014/15 Accounts

Members received report EPB/24/15 by the Executive Director for Corporate and Customer Services. Members were informed there were no key changes to report.

Resolved:

That the report be noted.

13. External Auditors Report

Members received report EPB/25/15 by EY, External Auditors of the Essex Pension Fund.

Resolved:

That the report be noted.

14. Date of Next Meeting

Members unanimously agreed to the Chairman's request that the next Board meeting be held at 2.00pm on Wednesday 16 December 2015 in Committee Room 2

15. Urgent Business

There being no further business, the meeting closed at 3.50pm.

Chairman