

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

Present:

**Member
Essex County Council**

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

District/Borough Councils in Essex

Cllr C Riley

Unitary Councils

Scheme Members

**Smaller Employing
Bodies**

J Moore

Also in attendance were the following members of the Pension Advisory Board:

Nicola Mark
Keith Flowers
Paul Hewitt
Jenny Hunt
Mark Paget
James Durrant

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	Communications Manager
David Tucker	Employer Liaison Manager
Ian Myers	Secretary to the Board
Samantha Andrews	Investment Manager
Mark Stevens	Independent Investment Advisor

1. Apologies for Absence

Apologies for absence were received from Councillor Ron Woodley and Councillor Keith Bobbin.

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 16 September 2015 be approved as a correct record and signed by the Chairman.

4. LGPS Benefit Structure

Members received a presentation from Matt Mott, Communications Manager, on the LGPS benefit structure.

The presentation gave an overview of the arrangements and examples relating to:

- The Final Salary Schemes 1997 and 2008
- The 85 Year Rule
- Flexible Retirement
- Ill health benefits
- Additional Regular Contributions (ARC)
- Additional Voluntary Contributions (AVC)
- Ancillary Benefits
- Transfers and Aggregation

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

5. LGPS Reform

Members received report EPB/26/15 and presentation from the Director for Essex Pension Fund.

Members were introduced to Mark Stevens, Independent Investment Advisor, and Nicola Mark, Independent Chairman of the Essex Pension Fund Advisory Board.

Members were informed that on 25 November 2105 the Government published:

- The criteria for LGPS investment reform being:
 - Asset pools that achieve the benefits of scale
 - Strong governance and decision making
 - Reduced costs and excellent value for money
 - Improved capacity to invest in infrastructure
- A consultation on revised LGPS Investment Regulations
- Its own response to the May 2014 consultation on 'Opportunities for collaboration, cost savings and efficiencies'

It was noted that funds are required to respond to the Government on pooling arrangements by 19 February 2016 with refined final responses made by 15 July 2016.

Members discussed the criteria and proposed pooling arrangements at length and a number of comments and concerns were raised:

- all responses to Government need to be made with great caution and consideration;
- the Government's proposed timetable of events appears very ambitious;
- the draft Investment Regulations propose powers allowing Secretary of State to intervene in a Fund's investment strategy. This in turn raises fundamental questions;
- whilst the needs for, and benefits of, domestic infrastructure are clear, Pension Funds are required to invest with a paramount fiduciary duty;
- the indicative key conclusion of project POOL (a collaboration of LGPS Find officers from across the country) was that Multi Asset Pools (MAPS) on a regional and/or like-minded basis largely met the Government's criteria; and
- officer discussions with other LGPS Funds within the Eastern Region "Access" Group (a potential MAP) continue.

A timetable highlighting the key milestones around the Government's February and July milestones was also discussed and noted.

Date	Activity
January 2016	
Early January	Project POOL report published
Early January	ACCESS group officer meeting
15 January	Update at Pension Advisory Board (PAB)
Mid / late January	POOL event for Chairman of LGPS s101 Cttees
25 January	Officer & Adviser meeting
Late January	Officers circulate ISC paper for comment
February 2016	
13 February	ISC agenda dispatch
19 February	Government deadline for initial pooling submission and response to draft investment regulations <i>NB: CLG "comfortable" with a response early the following week</i>
22 February	ISC Strategy meeting
23 February	Dispatch initial submission & response on draft investment regulations
February – June	Ongoing detailed pooling discussions

March 2016	
9 March	PSB meeting
16 March	Chancellor's budget
23 March	ISC meeting
June 2016	
15 June	ISC Strategy meeting to agree Final submission to then be proposed to Council on 12 July
July 2015	
12 July	Council
13 July	PSB
15 July	Government deadline for Final submission
20 July	ISC

Resolved:

That the report and timetable be noted.

6. Investment Steering Committee (ISC) Quarterly Report

Members received report EPB/27/15 from the Director for Essex Pension Fund

Resolved:

That the report be noted.

7. Year End Returns

Members received report EPB/28/15 from the Director for Essex Pension Fund and Head of Essex Pension Fund.

A proposed scale of charges for late year-end data returns were distributed and discussed by Members. It was agreed these charges apply to returns up to one month late and thereafter doubled. Further infringements would be reported to this Board. Any charges levied against the Fund by the Pension Regulator due to specific Employers non-compliance of provision of statutory data will be passed on.

Resolved:

That the report be noted and recommendations agreed.

8. Update on Pension Fund Activity

The Board considered a joint report EPB/29/15 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.

Resolved:

That the report be noted.

9. Governance Policy and Compliance Statement

Members received report EPB/30/15 from the Director for Essex Pension Fund and the Independent Governance & Administration Adviser.

Members were informed, in particular, that the Statement takes into account changes to regulation and the formation of the Pension Advisory Board

Resolved:

That the report be noted and that the PAB be invited to consider the document.

10. Communications Policy

Members received report EPB/31/15 from the Director for Essex Pension Fund and Head of Essex Pension Fund.

Members noted the Fund's updated draft Communications Strategy and agreed the Pension Advisory Board be invited to provide a review and feedback to a future meeting of this Board.

Noting that the policy may need to include relevant stakeholder consultations on the Fund's Statement of Investment Principles

Resolved:

That the report be noted and that the PAB be invited to consider the document.

11. Annual Report & Accounts 2014/15

Members noted the publication of the Annual report and Accounts for 2014/15

12. Date of Next Meeting

Members noted the next meeting of the Board would be held at 2.00pm on Wednesday 9 March 2016.

13. Proposed dates for 2016/17

The dates of meetings of the Board for the municipal year 2016/17 were noted.

There being no further business, the meeting closed at 4.00pm.

Chairman