

<b>Essex Pension Fund Strategy Board</b>	<b>EPB/09/16</b>
date: 13 July 2016	

**Pension Advisory Board (PAB) Report**

Report by the Director for Essex Pension Fund & Head of Essex Pension Fund  
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**1. Purpose of the Report**

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

**2. Recommendations**

2.1 That the Board should note the report.

### **3. Background**

- 3.1 The Essex Pension Fund Advisory Board (PAB) has been established as the Local Pension Board for Essex in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the LGPS Regulations 2013.
- 3.2 Since the Board's last meeting the PAB has met once on 11 May 2016. In addition a training session was also held on 7 June 2016 for all members of the PSB Pension Strategy Board (PSB) and Investment Steering Committee (ISC) and the PAB on pooling and a representative of the PAB attended.

### **4. Report of the meeting of PAB on 11 May 2016**

- 4.1 The PAB received training on the calculation of scheme benefits given by the Communications Manager. This was the third part of training to focus on the relevant changes and complex nature of Final Salary and CARE arrangements.
- 4.2 The Director for Essex Pension Fund gave a progress report on LGPS asset pooling. This highlighted that since the ACCESS February proposal to Government there had been an exchange of letters with the Minister. Most of the activity was focused around the type of the structure the pool would adopt and discussions with lawyers were in progress.
- 4.3 Following the PSB's invitation, the Board further considered the draft Governance Policy & Compliance Statement (GP&CS). A number of presentational changes were suggested. Following discussion, it was also agreed that some additional wording be included in the "expenses & facility time" section of the Compliance Statement that deals specifically with the PAB.
- 4.4 The aim of the additional wording is to align arrangements for the PAB with that of ECC Members re: travel & subsistence, and the suggested wording is set out in full below:

*"All Employer and Scheme Member Representatives will be entitled to claim travel and subsistence allowances in accordance with the Essex County Council Members' Allowance Scheme as set out in the Council's constitution.*

*Expenses will only be payable in connection with PAB business including attendance at PAB, PSB or ISC meetings, training courses or conferences. Any external training courses, seminars or conferences require prior approval by the Director for Essex Pension Fund".*

- 4.5 **The full revised draft Governance Policy & Compliance Statement is set out in agenda item 7B, which recommends that the PSB agree the changes suggested by the PAB.**
- 4.6 The PAB also revisited the draft Communications Policy. The Communications Manager presented the strategy and background regarding the communications approach which the Fund has undertaken for the 2016 Year End Process. This was noted and it was agreed that communications will be made a standing item on the PAB agenda at future meetings.

4.7 The full Communications Policy is set out in agenda item 7C. Following the PAB's review, there are no changes to the version previously noted at the PSB in December 2105. **Item 7B recommends that the PSB agrees the Communications Policy.**

4.8 It was highlighted that the PAB was required to produce an annual report; however the DCLG had yet to publish guidance on its timing and content. The Chairman and officers draft a short annual report setting out the issues considered by the PAB and the training undertaken by members during its first year of operation. This would be circulated to members for comment in June 2016 and included with Essex Pension Fund's annual report. A copy of the final report would also be sent to the DCLG for information

4.9 At its March meeting, the ISC agreed that the Statement of Investment Principles (SIP), as amended be passed to the PAB for familiarisation and to note. Due to time constraints the PAB agreed to continue its discussions at its next meeting in September 2016.

## **5. Link to Essex Pension Fund Objectives**

5.1 Compliance with the Fund's governance arrangements.

## **6. Background Papers**

6.1 PAB agenda and minutes of 15 January 2016 meeting.

6.2 PAB agenda and minutes of 11 May 2016 meeting.