

Essex Pension Fund

# Essex Pension Fund Advisory Board (PAB) Annual Report

July 2023



# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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### Introduction

This is the eighth Annual Report of the Essex Pension Fund Advisory Board, covering the period from 01 April 2022 until 31 March 2023

### Role and Functions

The Essex Pension Fund Advisory Board (PAB) has been 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 (regulations 106 to 109).

The remit of the PAB includes assisting the Administering Authority as Scheme Manager:

- to secure compliance with the LGPS regulations and any other legislation relating to governance and administration of the LGPS; and
- to secure compliance with requirements imposed in relation to the LGPS by The Pensions Regulator (TPR).

The establishment of the PAB was approved by Essex County Council (ECC) in February 2015 with the following membership:

- four Employer representatives made up of ECC (1), Borough/City/District (1), Unitary (1), Other Employing Bodies (1);
- four Scheme Member representatives of which one has been nominated by the trade unions and the rest drawn from the total scheme membership;
- one Independent non-voting Chairman.

A web link to the papers detailing the establishment of the PAB can be found within the 04 March 2015 Essex Pension Fund Strategy Board (PSB) Meeting [Documents](#).

The PAB's full Terms of Reference (TOR's) is reviewed periodically as part of the Governance and Compliance Statement and was last reviewed by the PSB at their meeting in December 2022. The TOR's can be found within the [ECC Constitution](#).

The PAB met four times during the period covered by this report: on 06 July 2022; 21 September 2022; 07 December 2022; and 22 March 2023.

In addition to these meetings, PAB Members were invited to attend as Observers at:

- four meetings of the PSB (the Fund's s101 Committee) which took place in the mornings on: 06 July 2022; 21 September 2022; 07 December 2022; and 22 March 2023; and
- four meetings of the Investment Steering Committee (ISC) (the Fund's s101 subcommittee) which took place on: 15 June 2022; 12 October 2022; 30 November 2022; and 22 February 2023.

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## Membership

During the period covered by this report the PAB had nine Members. They represented Employer and Scheme Member Representatives and an Independent Chairman.

The membership of the PAB as at 31 March 2023 was as follows:

Independent Chairman (1)	
Nicola Mark	Independent Chairman
Scheme Member Representatives (4)	
Andrew Coburn	Pensioner, Ex County Council, UNISON (Vice Chairman)
Debs Hurst	Active Member, Chelmsford College
Stuart Roberts	Active Member, Chenfield High Academy
Christopher Downes	Essex County Council
Employer Representation (4)	
James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCC FRA)
Councillor L Barber	Essex County Council
Councillor Martin Bracken	Chelmsford City Council
Councillor J Duffin (up to 08 September 2022) Councillor G Snell (from 25 January 2023)	Thurrock Unitary Council

### Attendance

Attendance at PAB meetings during 2022/23 was 79% against a target of 80%.

## Conflicts of Interest

The Public Service Pensions Act 2013 requires that a Member of a Pension Board does not have a conflict of interest. A conflict is defined as “a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the pension board”. The Act is clear that actual membership of the LGPS is not in and of itself a conflict of interest, so would not preclude a Scheme Member from serving on the PAB.

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The Essex Pension Fund (“the Fund”) follows the Fund’s Conflict of Interest Policy in addition to ECC’s Code of Conduct for the management of potential conflicts in order to ensure that they do not become actual conflicts. All Members of the PAB are familiar with these policies.

In addition, declarations of interest are a standing item on all PAB agendas and any interests noted by Members are recorded so that action can be taken to exclude the conflicted individual from proceedings where necessary.

### PAB Member Training

The Public Service Pensions Act 2013<sup>1</sup> requires that members of Local Pensions Boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a Local Pensions Board must be conversant with:

- the regulations of the LGPS, including historical regulations and transitional provisions, to the extent that they still affect members; and
- any document recording policy about the administration of the scheme.

Questionnaires and one to one meetings are carried out with all new PAB Members. Training Needs Analysis (TNA) are carried out with all the new PAB Member representatives, within six months of joining the Board. Local Pensions Board Members must also have knowledge and understanding of:

- the law relating to pensions; and
- such other matters as may be prescribed in other legislation.

The degree of knowledge and understanding required by Local Pensions Board Members is appropriate for the purposes of enabling the individual to properly exercise the functions of a Member of the Local Pensions Board.

### Degree of Knowledge and Understanding

Members of the Local Pensions Board are expected to be conversant with the rules of the LGPS and the policies of the Fund. “Being conversant with” implies a working knowledge of what is relevant to the subject under discussion. A PAB Member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with:

- the LGPS Regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by TPR; and
- any failure to meet the standards and expectations set out in any relevant [code of practice](#) issued by TPR.

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<sup>1</sup> The Public Service Pensions Act 2013 made amendments to the Pensions Act 2004 (see s248A)

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### Areas of Knowledge and Understanding

The areas in which the PAB would be expected to be conversant include, but are not limited to:

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping);
- Risk assessment and management;
- Scheme booklets and other members communications;
- The role of Local Pensions Board Members and the Scheme Manager;
- Policies in relation to the exercise of discretions;
- Communications with Scheme Members and Employers; and
- Key policy documents on administration, funding and investment.

### Support from Fund Officers - Knowledge and Skills Strategy

PSB, ISC and PAB Members, including Scheme Member and Employer representatives are expected to maintain an appropriate level of knowledge and skills to perform their role effectively, and to meet the requirements of overriding legislation, statutory and professional guidance.

All Board/Committee Members receive appropriate training to fill any knowledge gaps identified and must seek to maintain their knowledge.

The Fund fully supports the use of the CIPFA Code of Practice on LGPS Knowledge and Skills, and its associated Frameworks, TPR's Code of Practice, as well as understanding the need for appropriate knowledge and skills to allow professional status to be awarded for MiFID II purposes. The Fund adopts the principles and requirements of these, and strives to achieve those through the use of a two-year rolling Training Plan together with regular monitoring and reporting.

In addition, the PSB endorsed the utilisation of the LGPS Online Learning Academy (LOLA) which went live on 10 December 2021 to support the completion of the two-year Training Plan.

The approach of the Knowledge and Skills Strategy is summarised below:

- Training credits are awarded to each PAB Member where training events (approved / recommended by the Fund) have been undertaken either in person or by virtual means;
- PAB Members are expected to complete relevant CIPFA and TPR modules applicable to their role utilising LOLA;
- A Training Needs Analysis is undertaken once every two-years to determine areas for further training and is reviewed periodically;
- The approach to training is flexible, in order to recognise the ever-changing landscape of the LGPS; and
- Training is delivered in a way that complements the activities set out in the Fund's Three-Year Business Plan.

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This year the PAB has covered the following topics, of which appropriate training was provided within formal PAB meetings:

Date of meeting	Topics Covered
<b>06 July 2022</b>	PAB Terms of Reference
	PAB Annual Report
	PSB Update covering: <ul style="list-style-type: none"> <li>• PSB Terms of Reference;</li> <li>• PSB Annual Report to Full Council;</li> <li>• Update on Pension Fund Activity (Business Plan, Scorecard and Risk Management);</li> <li>• The work of Internal Audit in relation to the Fund;</li> <li>• Essex Pension Fund Draft Accounts;</li> <li>• The work of External Audit in relation to the Fund;</li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update and Annual Reports;</li> <li>• Pre 2022 Valuation Training;</li> <li>• Training Plans update;</li> <li>• Employer Update;</li> <li>• Multi Academy Trust (MAT) Liability Transfer; and</li> <li>• Pooling update.</li> </ul>
	PAB Annual Workplan
	PAB Pamphlet
	Fund Surveys
<b>21 September 2022</b>	PSB Update covering: <ul style="list-style-type: none"> <li>• Actuarial Valuation Update;</li> <li>• Draft Funding Strategy Statement (FSS);</li> <li>• Essex Pension Fund Term of Reference;</li> <li>• Update on Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• Essex Pension Fund Draft Accounts;</li> <li>• PAB Quarterly Update report;</li> <li>• Role of the PAB (PAB Pamphlet);</li> <li>• Fund Surveys;</li> <li>• PAB Scheme Member and Employer Representation; update; and</li> <li>• Employer update.</li> </ul>
	PAB Annual Workplan
	Essex Pension Fund Communications Policy



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Date of meeting	Topics Covered
07 December 2022	<p>PSB Update covering:</p> <ul style="list-style-type: none"> <li>• Essex Pension Fund Management Structure Review;</li> <li>• Essex Pension Fund Terms of References (TOR);</li> <li>• Valuation Update;</li> <li>• External Audit in relation to the Fund;</li> <li>• Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update Report;</li> <li>• Essex Pension Fund Policies and Publications;               <ul style="list-style-type: none"> <li>◊ Communications Policy;</li> <li>◊ Conflicts of Interest Policy; and</li> <li>◊ Administering Authority Discretions;</li> </ul> </li> <li>• Training Plans update;</li> <li>• Employer Update;</li> <li>• Employer Risk Review; and</li> <li>• Pooling Update.</li> </ul> <p>PAB Annual Workplan</p> <p>Recording and reporting Breaches of the Law</p> <p>TPR (The Pension Regulators) Code of Practice 14</p> <p>Feedback from the AJC Meeting</p>
22 March 2023	<p>PSB Update covering:</p> <ul style="list-style-type: none"> <li>• Update on Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• Essex Pension Fund Policies and Publications:               <ul style="list-style-type: none"> <li>◊ Three-year Business Plan and 2023/24 Budget; and</li> <li>◊ PSB and ISC Pamphlets;</li> </ul> </li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update Report;</li> <li>• PAB Scheme Member and Employer Representation;</li> <li>• EPF Consultation Responses;</li> <li>• Actuarial Valuation;</li> <li>• Essex Pension Fund Draft FSS;</li> <li>• Employer Cessation Approach;</li> <li>• Employer Update; and</li> <li>• Pooling Update.</li> </ul> <p>PAB Annual Workplan</p> <p>Feedback from the LGA Annual Governance Conference</p>

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### Additional Training Sessions

In addition, the opportunity has been made available for Members of the PAB to attend training sessions outside of PAB meetings, including training sessions which have taken place within PSB or ISC meetings. A number of PAB Members also attended externally run events including:

- LGA Fundamentals Training Programme; and
- LGA Governance Conference.

In addition, Fund Officers hosted a Back to Basics Training Day for all Boards and Committee Members during January 2023 which covered:

- Management Structure of the Fund;
- Wider LGPS Outstanding Topics;
- Digital update;
- Training Plans and LOLA;
- Introduction to Investment Strategy;
- Fund Surveys;
- Freedom of Information Act;
- Fund Facts; and
- The history of the Fund's Actuarial Valuations.

Details of observing at PSB and ISC meetings and training events (internal and external) are recorded throughout the year.

### Outcomes and recommendations

Decisions about the running of the Fund are made by the PSB and ISC which are delegated to carry out that function by ECC in its capacity as the Administering Authority for the Fund.

The role of the PAB is to assist the Administering Authority to ensure compliance and to make recommendations to improve the efficient and effective administration and governance of the pensions function.

This year the PAB has fulfilled its role in the following ways:



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Date	Area	Actions
<b>All Meetings</b>	Decisions of the PSB and the ISC	The PAB's meetings are based on the items considered at meetings of the PSB and the ISC.
<b>06 July 2023</b>	Appointment of Vice Chairman	<b>Resolved:</b> The Secretariat invited Board Members to make nominations for the appointment of the Vice Chairman. Following a show of hands, Andrew Coburn was re-appointed as Vice Chairman.
	Notes of the Previous Meeting	<b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.
	PAB Terms of Reference	<b>Resolved:</b> The Board noted the Terms of Reference as contained in the ECC Constitution.
	PAB Annual Report	<b>Action:</b> Fund Officers to amend dates within the report and to enquire with the SAB as to the analysis undertaken on Local Pensions Board Annual Reports and if the results are published/available.  <b>Resolved:</b> The Board noted the content of the PAB Annual Report for onward transition to the SAB and agreed for it be published within the Fund's Annual Report & Accounts.
	Essex Pension Fund Strategy Board (PSB) Update	<b>Actions:</b> Members to notify the Compliance Team if they wish to be the Fund's representative at the AJC on 12 September 2022.  Fund Officers to liaise with ACCESS Support Unit as to the draft TOR for ACCESS LPB Members attending the AJC.  <b>Resolved:</b> The Board noted the papers considered by the PSB.
	PAB Annual workplan	<b>Resolved:</b> The board noted the content of the progress report.

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Date	Area	Actions
06 July 2022	PAB Pamphlet	<p><b>Actions:</b> Compliance Manager to invite PAB Elected Members to volunteer photograph and synopsis of their experience of being a PAB Member.</p> <p>Debs Hurst to arrange a video of her comments and send to the Compliance Manager.</p> <p>The Compliance Manager to add a web link and sentence to direct readers to more information regarding vacancies on the PAB can be found.</p> <p>Meeting of the Task and Finish Group (T&amp;FG) to be arranged to discuss the revised Pamphlet.</p> <p><b>Resolved:</b> The Board noted the content of the report.</p>
	Fund Surveys	<p><b>Action:</b> Fund Officers to issue reminders to Scheme Employers and/or highlight the survey if it is included within normal business as usual correspondence.</p> <p><b>Resolved:</b> The Board noted the presentation.</p>
	Papers provided to the Essex Pension Fund Advisory Board (PAB)	<p><b>Resolved:</b> The Board noted the content of the report.</p>
	Schedule of Future Meetings and Events	<p><b>Action:</b> Members to notify Compliance Manager if they wish to attend the Fundamentals Training Event.</p> <p>The Compliance Manager to review the Annual Governance Conference Agenda and if relevant forward on to PAB Members.</p> <p><b>Resolved:</b> The Board noted the content of the report.</p>

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Date	Area	Actions
06 July 2022	Any Other Business	<p><b>Action:</b> Members to confirm with the Compliance Manager if they will be attending further meetings face to face or via Zoom.</p> <p><b>Resolved:</b> The board noted the update.</p>
21 September 2022	Notes of the Previous meeting	<p><b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.</p>
	Essex Pension Fund Strategy Board (PSB) Update	<p><b>Action:</b> Fund officers to: Include a section on Fund Surveys at the Back to Basics Training Day;</p> <p>Continue investigation on Opt Outs and 50/50 options; and</p> <p>Issue a letter of thanks to Cllr Duffin for his service on the Board.</p> <p><b>Resolved:</b> The Board noted the papers reviewed by the PSB.</p>
	Essex Pension Fund Advisory Board (PAB) Annual Workplan	<p><b>Resolved:</b> The Board noted the content of the progress report.</p>
	Essex Pension Fund Communications Policy	<p><b>Action:</b> Fund officers to: Review the Communications Policy Training Video to explain deferred benefits and Internal Dispute Resolution Procedure (IDRP);</p> <p>Check and amend subtitles within the Training Video;</p> <p>Add a General Enquiries Telephone number on the last page of the Communications Policy;</p>

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Date	Area	Actions
21 September 2022	Essex Pension Fund Communications Policy (continued)	<p>Add consultations to the Policy including those the Fund respond to and those the Fund consult on;</p> <p>To review the 'key messages' section in totality.</p> <p><b>Resolved:</b> The Board provided feedback for amendments to the EPF Communications Policy and Training Video. Fund Officers would review and submit a revised Policy and Training Video to the PSB at their next meeting for approval.</p>
	Feedback from the ACCESS Joint Committee Meeting	<p><b>Action:</b> Fund Officers to provide a protocol for Essex LPB (PAB) representatives when observing ACCESS Joint Committee meetings.</p> <p><b>Resolved:</b> The Board noted the update.</p>
	Papers provided to Essex Pension Fund Advisory Board (PAB)	<p><b>Resolved:</b> The Board noted the content of the report.</p>
	Schedule of Future Meetings and Events	<p><b>Resolved:</b> The Board noted the content of the report.</p>
07 December 2022	Notes of the Previous Meeting	<p><b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.</p>
	Essex Pension Fund Strategy Board (PSB) Update	<p><b>Action:</b> Fund Officers to develop a two-page document to promote the Fund's achievements in consultation with Employer Representative, James Durrant.</p> <p><b>Resolved:</b> The Board noted the papers reviewed and considered by the PSB.</p>

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Date	Area	Actions
07 December 2022	Essex Pension Fund Advisory Board (PAB) Annual Workplan	<b>Resolved:</b> The Board noted the content of the progress report.
	Recording and Reporting Breaches of the Law	<b>Resolved:</b> The Board noted the content of the report.
	TPR Code of Practice 14 Compliance	<b>Resolved:</b> The Board noted the content of the report.
	Feedback from the ACCESS Joint Committee Meeting	<b>Resolved:</b> The Board noted the update.
	Papers provided to Essex Pension Fund Advisory Board (PAB).	<b>Resolved:</b> The Board noted the content of the report.
	Schedule of Future Meetings and events	<b>Resolved:</b> The Board noted the content of the report.
	Any Other Business	<b>Resolved:</b> The Board noted the areas of business raised by the PAB Chairman.
22 March 2023	Notes of the Previous Meeting	<b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.
	Essex Pension Fund Strategy Board (PSB) Update	<b>Resolved:</b> The Board noted the papers reviewed and considered by the PSB.
	PAB Annual Workplan	<b>Resolved:</b> The Board discussed and noted the content of the report.
	Feedback from the LGA Annual Governance Conference	<b>Resolved:</b> The Board noted the update.
	Papers provided to Essex Pension Fund Advisory Board (PAB)	<b>Resolved:</b> The Board noted the content of the report.
	Schedule of Future Meetings and Events	<b>Resolved:</b> The Board noted the content of the report.

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### PAB Annual Workplan

The second edition of the PAB Annual Workplan which accompanied the Fund's Three-year Business Plan was approved by the PSB during their 22 March 2023 meeting.

The PAB Annual Workplan was developed in 2022 as a direct outcome of the PAB's Governance Effectiveness Review carried out by the Fund's Independent Governance and Administration Adviser (IGAA).

During 2022/23, the PAB Annual Workplan included:

- the development of a pamphlet to show the expectations around the role of PAB Members and the level of support given to them by Fund Officers to assist with future recruitment. This activity was undertaken by a PAB Task and Finish Group (T&FG) and was subsequently approved by the PSB and published on the Fund's website. In addition, the PSB recommended that they set up their own T&FG to develop a PSB and ISC pamphlet. Both pamphlets were approved by the PSB and were also published on the Fund's website;
- review of the Fund's Communications Policy which enabled the PSB to sign off the revised Policy swiftly due to the feedback and amendments already made by the PAB;
- review of the Fund's Surveys which was applauded by the PAB due to the positive results and good feedback received from the Fund's Scheme Members and Employers. The PAB's comments were reviewed by the PSB enabling swift sign off of this review;
- TPR Single Code which is still expected but not yet received; and
- The SAB Good Governance Project outcomes.

It was noted that the remaining two items would be included within the PAB Annual Workplan till at least 2025 due to the work those publications would entail.

At the PSB's March 2023 meeting, the 2023/24 PAB Annual Workplan included:

- the review of the Fund's Policy for Recording and Reporting Breaches of the Law;
- the Fund's Website Review;
- the Management of Risk;
- TPR Single code; and
- SAB Good Governance Project.

Full agendas and notes for all PAB meetings can be found on the ECC website under the Committees section of Your Council, or by following the link below:

[Essex Pension Fund Advisory Board](#)



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## Future Dates of Meetings

The following meeting dates have been agreed for 2023/24:

- 05 July 2023;
- 20 September 2023;
- 13 December 2023; and
- 20 March 2024.

*The Independent Chairman of the PAB would like to take this opportunity to thank Fund Officers, PAB Members and the PSB for their continued commitment and support in delivering the PAB objectives and workplan throughout the year.*

*Nicola Mark, Independent Chairman*  
**Essex Pension Fund Advisory Board**  
**July 2023**

*Andrew Coburn, Vice Chairman*

Essex Pension Fund