

# Could you be a Pension Committee Member?



## About the Fund

The Environment Agency Pension Fund (EAPF) is part of the Local Government Pension Scheme (LGPS).

We are responsible for administering the current and future pension benefits of just under 39,500 members, of which 11,000 are contributing to the Scheme. We have a 95% participation rate of our employees in the Scheme. The most recent triennial valuation of the Active Fund on 31 March 2013 shows £2.1 billion assets under management and an overall funding level of 90%. The EAPF remains one of the best funded in the LGPS.

The Environment Agency acts as the Administering Authority for the EAPF Active and Closed Funds. In this role the Environment Agency owes fiduciary duties to the employers and members of the EAPF.

There are currently three employers participating in the Fund:

- Environment Agency
  - Natural Resources Wales
  - Shared Services Connected Limited
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# The Role

## Purpose

Your principal aim is to safeguard the interests of all Pension Fund members, ensuring the Fund is run properly and that members' benefits are secure, acting in line with the legal framework surrounding pensions.

**'Our pension fund is important as it ensures the financial future of our previous, current and future members. To run it effectively, we need strong Governance and a diverse mix of capable people'.**

– Dawn Turner (Chief Pensions Officer)

## What does the role involve?

- Remaining impartial and always acting in the best interests of members
- Administering the Fund in accordance with the LGPS Rules and Regulation
- Strategically managing and steering the investment of the Funds assets with help from professional advisers
- Overseeing the administration and payments to members and their dependents.
- Providing members with key information about the Fund
- Ensuring strong Fund governance at all times

## What skills and experience do I need?

You need to have an interest in pensions and a willingness to increase your understanding of the Fund and how it is run. Skills and experience that might help you include:

- Being a good communicator
- The ability to work in collaboration with others
- Contributing to the setting of policies and making strategic decisions
- Monitoring performance within a regulatory setting
- Previous experience on committees or project boards
- A good understanding of financial reports and accounts
- Some knowledge of the LGPS and EAPF
- Being impartial

You do not have to be a pension expert to stand for election, and you do not need any formal qualification. Training is provided to help develop your knowledge and support you in the role.

## The day-to-day duties

As a Committee Member you will be required to spend time reading meeting papers and to attend formal quarterly meetings which are scheduled at the start of each calendar year. Additional meetings can be arranged with the agreement of the Chair.

You'll need to commit to the committee for 10 days a year and initially you'll be expected to attend some formal sessions

We provide meeting papers through a secure Internet site so having access to a computer or tablet is advantageous but not essential.

Meetings are held during the working week and in the daytime, so you'll need to have discussed and had approval from your line manager in advance.

The committee will usually meet 4 times a year at Ergon House, London and the next scheduled meetings are:

- 26 September 2016
- 15 December 2016
- 23 March 2017

## Reimbursement

This is not an employed position. Expenses incurred in your role will be paid including a nominal amount in recognition of your time and service. All payments are subject to Income Tax.

## Training and support

Full training will be provided on appointment, with support to assist you in your role and help to develop your understanding.

The EAPF employ officers and professional advisers to perform specific functions and provide support to the Committee regarding investments, benefits administration and governance although you and your colleagues remain responsible and accountable for the decisions made.

## What to do now

We would really like to hear from you, so if you want to register your interest then please complete and return the enclosed form, or alternatively, download the form from our website at [eapf.org.uk](http://eapf.org.uk)

if you would like more information please email [eapf@environment-agency.gov.uk](mailto:eapf@environment-agency.gov.uk)

# Your application to join the EAPF's Pensions Committee

## Conflicts of Interest

Actual conflicts of interest are prohibited by the 2013 Act and cannot, therefore, be managed. Only potential conflicts of interest can be managed.

A conflict of interest may arise when pension committee members:

- Must fulfil their statutory role of assisting the scheme manager in securing compliance with the scheme regulations, other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator or with any other matter for which they are responsible.

Have a separate personal interest (financial or otherwise), the nature of which gives rise to a possible conflict with their statutory role.

- A conflict of interest is a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the pension board. It does not include a financial or other interest arising merely by virtue of that person being a member of the scheme or any connected scheme for which the Committee is established.

# Commitment to training and maintaining knowledge

## A member of the pension committee of a public service pension scheme must be conversant with:

- the rules of the scheme
- any document that records policy about the administration of the scheme which is for the time being adopted in relation to the scheme

## A member of the pension board must have knowledge and understanding of:

- the law relating to pensions
- any other matters which are prescribed in regulations

## The Environment Agency Pension Fund's objectives relating to knowledge and skills are:

- the pension funds are managed and their services delivered by people who have the appropriate knowledge and expertise, and that this knowledge and expertise is maintained within the continually changing LGPS and wider pensions landscape
- those persons responsible for governing EAPF have sufficient expertise to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and manage any potential conflicts of interest

## On joining the Pensions Committee a new member will be provided with the following documentation to assist in providing a basic understanding of the EAPF:

- the members' guide to the Local Government Pension Scheme (LGPS)
- the Actuarial Valuation reports
- the Annual Report and Financial Statements which incorporate:
  - the Funding Strategy Statement
  - the Governance Compliance Statement
  - the Statement of Investment Principles including EAPF's statement of compliance with the LGPS Myners Principles
- the Communications Policy
- the Stewardship Code Compliance Statement
- the Responsible Investment Policy
- the Administration Strategy
- the Governance Policy including the Scheme of Delegation
- the administering authority's Discretionary Policies
- the Risk Policy
- the Training Policy

In addition, an individual training plan will be developed to assist the new member in achieving their individual training needs within six months. The cost of this training is covered by the Fund.

# Terms of Reference

1.1 The Pensions Committee (PC) and its Investment Sub-Committee (ISC) are appointed as a Committee and Sub-Committee of the Environment Agency Board and all Committee Members are appointed by the Environment Agency Board. The Environment Agency is the administering authority for the Environment Agency Active and Closed Funds (the Funds). In its role as the administering authority, the Environment Agency owes fiduciary duties to the employers and members of the EAPF and must not compromise this with its own particular interests.

1.2 The PC's principal aim is to consider pensions matters with a view to safeguarding the interests of all pension fund members.

The specific responsibilities of the PC are:

- a) Approving the Funds' objectives and strategies. Ensuring the Funds are managed and pension payments are made in compliance with the extant Local Government Pension Scheme Regulations, Her Majesty's Revenue & Customs requirements for UK registered pension schemes, all other relevant legislation and have regard to best practice guidance.
- b) Agreeing the Funds' business plans, risk management arrangements and monitoring progress against them.
- c) Recommending the fund's annual reports and accounts for approval by the Environment Agency Board.
- d) Recommending the employer contribution to the Environment Agency Board.
- e) Receiving internal and external audit reports and implementing necessary changes, and approving external audit strategy.
- f) Agreeing appointment, monitoring and dismissal of professional advisors.
- g) Agreeing the administering authority responses to consultations on LGPS matters and other matters where they may impact on the Funds or their stakeholders.
- h) Establishing temporary working groups to examine particular issues.
- i) Advising the Environment Agency Board on wider pension issues.

## Governance specific matters

- j) Approving the Funds' Governance Policy and Compliance Statement within the framework (Terms of Reference, Standing Orders and Scheme of Delegation) as determined by the Environment Agency Board and making recommendations to the Environment Agency Board about any changes to that framework.
- k) Agreeing the Funds' Training Policy for all Pension Committee members and for all officers of the Funds.

## Investment specific matters

- l) Formulating, approving and regularly reviewing the Funds' investment strategies; Statement of Investment Principles; Responsible Investment Policy and related strategies; and Myners Compliance Statement.
- m) Setting investment targets and ensuring these are aligned with the Funds' specific liability profile and risk appetite, taking into account advice from the independent professional advisers, investment consultant and the views of investment managers.
- n) Receiving minutes and updates from ISC.

## Funding specific matters

- o) Approving and monitoring the Funds' Funding Strategy Statements, overseeing the triennial valuation and inter-valuation funding assessments, and working with the actuary in recommending the appropriate level of employer contributions and consulting with each employer.
- p) Approving and implementing the Funds' Admission and Bulk Transfer Policies including approval of Active Fund entry into an Admission Agreement with an appropriate Admission Body in line with these published policies including terms of admission agreement, the allocation of any assets and appropriate termination provisions.

## Administration specific matters

a) Approving and monitoring the Funds' Administration Strategy determining how the Funds will be administered including collecting payments due, calculating and paying benefits, gathering information from and providing information to scheme members and employers.

r) Determining how the various administering authority discretions are operated for the Funds.  
Communication specific matters

s) Approving and monitoring the Funds' Communication Strategy, determining the methods of communication with the various stakeholders including scheme members and employers.

t) Any other responsibilities delegated to it by the Environment Agency Board.

1.3 The Pension Board is a non-decision making body responsible for assisting the administering authority in:

a) Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator.

b) Ensuring the effective and efficient governance and administration of the LGPS by the Environment Agency Pension Funds.

The PC and Pension Board will be supported in achieving best governance through the appointment of expert independent advisors covering governance, administration and investment matters.

1.4 The specific responsibility of the ISC is implementing the Funds' investment strategies including but not limited to the following:

a) Reviewing and maintaining the detailed asset allocation of the Funds.

b) Setting benchmarks and targets for the Funds' investments.

c) Monitoring the implementation of all key investment related policies and strategies on an ongoing basis, determining appropriate action in relation to risks and the agreed business plan and agreeing appropriate variations.

d) Undertaking appropriate assessments required to make recommendations to the PC on the Funds' investment strategies and Statement of Investment Principles.

e) Ensuring secure custody of the Funds' assets.

f) Any other responsibilities delegated to it by the Environment Agency Board or PC.

1.5 The PC, Pension Board and ISC will act on behalf of, and with the authority of, the Environment Agency Board, in accordance with the above Terms of Reference. Decisions and issues can be referred to or called up to the Environment Agency Board.

## What to do now

Please provide us with further information by completing the nomination form for a Pension Committee Member, and declaring any potential conflicts of interest', then return to [eapf@environment-agency.gov.uk](mailto:eapf@environment-agency.gov.uk)

Alternatively;

Respond in writing to the Chief Pensions Officer, Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH