

## **Pensions Panel**

29 April 2019 – At a meeting of the Pensions Panel held at 10.30 am at County Hall, Chichester.

Present: Mr Hunt (Chairman)

Mr Bradford, Mr Elkins, Mr Jupp, Mrs Urquhart, Dr Walsh, Mr Donnelly and Ms Taylor

Apologies were received from Mrs Dennis

### **Part I**

#### **1. Declarations of Interests**

1.1 Mr Donnelly declared a personal interest as he was a shareholder with Aberdeen Standard and Baillie Gifford.

1.2 Mr Hunt declared a personal interest as Chairman of the Chichester Harbour Conservancy.

#### **2. Part I Minutes of the last meeting**

2.1 The Panel agreed an amendment to the final sentence in minute 86.3; changing 'would look' to 'were looking'.

2.2 Resolved – That the Part I minutes of the Pensions Panel held on 28 January 2019, amended as above, be approved as a correct record, and that they be signed by the Chairman.

#### **3. Business Plan 2019/20**

3.1 The Panel considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

3.2 Rachel Wood, Pension Fund Investment Strategist, introduced the report and explained that the Business Plan looked at the priorities for 2019/20. A key piece of work would be the valuation taking place in 2019. A transfer would also be taking place to a new custodian, Northern Trust. It was also reported that the Scheme Advisory Board had commissioned Hymans Robertson to do some work on Good Governance.

3.3 The Panel made comments including those that follow.

- Queried the increase in costs by 30%. – *Rachel Wood explained that this was a reflection of Hampshire County Council as the new pension administration provider. It was clearly understood at the time of the decision to transfer, that costs would increase, regardless of the provider, in order to provide a better service for members. As service improved it was hoped that costs may reduce, such as actuary costs reducing due to improved reporting mechanisms.*

- The Panel discussed the different roles of the Pensions Panel and the Pension Advisory Board.
- Requested clarity on which training sessions would be useful to attend. - *Rachel Wood explained that all training invitations came with recommendations, but officers could look at bespoke individual member recommendations.*

3.4 Resolved – that the Panel notes the updates to the 2018/19 Business Plan and agree the proposed activities for the 2019/20 financial year.

#### **4. Policy Documents (Administering Authority Discretions, Administration Strategy and Communication Policy Statement)**

4.1 The Panel considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

4.2 Rachel Wood introduced the report which outlined the policy documents which had been changed as part of the transfer of pension administration to Hampshire County Council. The Pension Advisory Board, and employers had reviewed Administering Authority Discretions and the Administration Strategy

4.3 The Panel commented that schools may find it difficult to pay up front retirement costs and queried if this was normal practice. – *Rachel Wood explained that it was normal practice for schools to pay a lump sum, but there was an option to spread the cost over three years. It was normal for there to be up front payments. Steven Law, Hymans Robertson, added that the size would be capped soon and that there was currently a consultation out on this. Rachel Wood confirmed that employers could always have a discussion with Katharine Eberhart, Director of Finance, Performance and Procurement, if they wished to discuss costs.*

4.4 Resolved – That the Panel notes the Administering Authority Discretions; the Administration Strategy; and the Communication Policy Statement.

#### **5. Administration Transfer and Performance**

5.1 The Panel considered a paper by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

5.2 Rachel Wood introduced the report and explained that the transfer of the Pension Administration service, which commenced on 4<sup>th</sup> March, had been successfully completed. The performance information in the report covered a two-week period. Officers were working with Hampshire County Council on legacy issues. Communications had been sent to all active members referring them to the new pension portal, pensioner members would receive communications soon, followed by deferred members.

5.3 Andrew Lowe, Hampshire County Council (HCC), joined the meeting and reported that targets had been hit and that April performance was looking good. Employer training sessions had been run and newsletters

had been published. HCC were currently receiving high call volumes and were answering 80% of calls. West Sussex calls were taking longer to complete due to the complexity of issues being raised following the transfer. There were currently no concerns on the volume, but the situation would be monitored and extra resources added if necessary.

5.4 The Chairman commented that he felt the transfer had gone well. Ms Taylor reported that she had received no complaints from UNISON members, and personally found the portal easy to use.

5.5 The Panel made comments including those that follow.

- Queried the missing figure at paragraph 6 in the report. – *Rachel Wood confirmed this should be 120.*
- Sought clarity on how complaints were being handled. – *Rachel Wood reported that complaints were still being received, but HCC were turning queries around quickly. Many complaints had subsequently turned into compliments. Issues were expected to reduce when HCC were operating at a 'business as usual' level.*

5.6 Resolved – That the Panel notes the update.

## **6. Date of the next meeting**

6.1 The Panel noted that its next scheduled meeting would take place on 24 July 2019 at County Hall, Chichester.

## **7. Exclusion of Press and Public**

Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

## **8. Part II Minutes of the last meeting**

The Panel agreed the Part II minutes of the Pensions Panel held on 28 January 2019.

## **9. Investment Strategy**

The Panel considered a report by the Director of Finance, Performance and Procurement.

The Panel considered the report and made recommendations to officers concerning the Investment Strategy for the pension fund.

## **10. Investment Pooling**

The Panel considered a report by the Director of Finance, Performance and Procurement.

The Panel considered the report and made recommendations for pooled investments.

#### **11. Review of Pension Performance**

The Panel considered a paper by the Director of Finance, Performance and Procurement.

The Panel received an update from Caroline Burton relating to the quarterly performance reports from the fund managers.

The Panel welcomed the advice.

#### **12. Presentation by UBS**

The Panel received an update from Malcolm Gordon, Jonathan Davies and Steve Magill from UBS on the portfolio performance for the quarter.

#### **13. Triennial Valuation (Funding Strategy Statement)**

The Panel considered a report by the Director of Finance, Performance and Procurement.

The Panel noted the timetable for the triennial valuation.

The meeting ended at 2.15 pm

Chairman