

# Public Document Pack

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18 February 2021

## **Pension Advisory Board**

A virtual meeting of the Committee will be held at **9.30 am on Friday, 26 February 2021.**

**Note:** In accordance with regulations in response to the current public health emergency, this meeting will be held virtually with members in remote attendance. Public access is via webcasting.

**The meeting will be available to watch live via the Internet at this address:**

<http://www.westsussex.public-i.tv/core/portal/home>

Tony Kershaw  
Director of Law and Assurance

## **Agenda**

### **Part I**

#### **1. Declarations of Interests and Conflicts**

Members and officers must declare any pecuniary or personal interest, or any potential conflicts of interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt, contact Democratic Services before the meeting.

#### **2. Part I Minutes of the last meeting (Pages 5 - 10)**

To confirm the part I minutes of the meeting of the Board held on 13 November 2020.

#### **3. Urgent Matters**

Items not on the agenda, which the Chairman of the meeting is of the opinion, should be considered as a matter of urgency by reason of special circumstances.

4. **Part II Matters**

Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.

5. **Progress Statement** (Pages 11 - 12)

This report contains updates on matters arising from previous meetings.

The Board is asked to note the report and the progress on actions.

6. **Pensions Committee Minutes - Part I**

The Board is asked to note the confirmed Part I minutes from the meetings of the Pensions Committee on the 23 October 2020 and the 17 November 2020; and the agenda from the meeting of the Pensions Committee on 25 January 2021. Also included is a note from the Chairman summarising the Pensions Committee webcast from 25 January 2021.

(a) **23 October 2020 - Part I Pensions Committee Minutes** (Pages 13 - 18)

(b) **17 November 2020 - Part I Pensions Committee Minutes** (Pages 19 - 20)

(c) **25 January 2021 - Pensions Committee Agenda** (Pages 21 - 24)

(d) **25 January 2021 - Chairman's webcast summary** (Pages 25 - 26)

7. **Election of Scheduled Body Representative** (Pages 27 - 30)

The Board is asked to note the report from the 25 January 2021 Pensions Committee by the Director of Law and Assurance.

8. **Business Plan Update** (Pages 31 - 56)

Report by the Chairman of the Pension Advisory Board.

The Board is asked to agree the performance report for 2020/21 and that the Pensions Committee and Governance Committee be informed. The Board is also asked to note the Pensions Committee's business plan update report.

9. **Administration procedures and performance** (Pages 57 - 66)

The Board is asked to consider the Administration Report from the 25 January 2021 Pensions Committee by the Director of Finance and Support Services.

10. **Regulations and Guidance update** (Pages 67 - 78)

Report by the Chairman of the Pension Advisory Board.

The Board is asked to note the current issues relating to Scheme Regulations and Guidance.

11. **Communication Strategy** (Pages 79 - 84)

Report by Director of Finance and Support Services.

The Board is asked to; note the schedule of Communications drawn from the Communication Policy Statement; note updates made in the Communication Policy Statement; and provide feedback on the Communications presented at the meeting.

12. **Review of Pension Fund Policy Documents** (Pages 85 - 94)

Report by Director of Finance and Support Services.

The Board is asked to note the register of policy documents and provide feedback on the policies presented at the meeting.

13. **Training** (Pages 95 - 96)

The Board is asked to review the training log and provide details of their progress on the Pensions Regulator Toolkit.

14. **Date of Next Meeting**

The next meeting of the Board will be held at 9.30 am on 28 April 2021.

**Part II**

15. **Exclusion of Press and Public**

The Board is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, 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.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

16. **Part II Minutes of the last meeting** (Pages 97 - 100)

To confirm the part II minutes of the meeting of the Board held on 13 November 2020.

17. **Pensions Committee Minutes – Part II**

The Board is asked to note the confirmed Part II minutes from the meetings of the Pensions Committee on the 23 October 2020 and the 17 November 2020 (yellow paper).

- (a) **23 October 2020 - Part II Pensions Committee Minutes** (Pages 101 - 108)

(b) **17 November 2020 - Part II Pensions Committee Minutes** (Pages 109 - 112)

18. **AVC** (Pages 113 - 122)

The Board is asked to consider the following report which went to the Pensions Committee on 25 January 2021.

Report by the Director of Finance and Support Services attached for members of the Board only (yellow paper).

19. **ACCESS Update** (Pages 123 - 132)

The Board is asked to consider the following report which went to the Pensions Committee on 25 January 2021.

Report by the Director of Finance and Support Services attached for members of the Board only (yellow paper).

**To all members of the Pension Advisory Board**

## **Pension Advisory Board**

13 November 2020 – At a virtual meeting of the Committee held at Virtual meeting with restricted public access.

Present: Peter Scales (Chairman),

Richard Cohen, Miranda Kadwell, Kim Martin, Becky Caney and Chris Scanes

Apologies were received from Tim Stretton

Officers in attendance: Rachel Wood (Pension Fund Strategist), Tara Atkins (Principal Pensions Consultant (Administration & Employers)), Alistair Rush (Interim Deputy Director of Finance) and Adam Chisnall (Democratic Services Officer)

### **Part I**

#### **17. Declarations of Interests and Conflicts**

17.1 None declared.

17.2 The Chairman confirmed that the policy on conflicts was under review and may come to a future meeting.

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

18.1 Resolved – That the part I minutes of the meeting of the Board held on 7 September 2020 be approved as a correct record and signed by the Chairman.

#### **19. Progress Report**

19.1 The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes).

19.2 Adam Chisnall introduced the report and explained that similar issues had been consolidated and updates were expected in February.

19.3 The Chairman commented that the Good Governance review may not be ready to be presented at the February meeting. – *Adam Chisnall resolved that the progress statement for the February meeting would provide an update on the status if a presentation was not available.*

19.4 Resolved – That the Board noted the report.

#### **20. Pensions Committee Minutes - Part I**

20.1 The Board considered the confirmed part I minutes from the 22 July 2020 Pensions Committee meeting; and the Agenda from the 23 October

## Agenda Item 2

2020 Pensions Committee meeting (copies appended to the signed minutes).

20.2 The Chairman commented that a key discussion at the 23 October meeting was the impact on Pension Administration. This topic would be discussed later as part of the Board agenda.

20.3 Resolved – That the minutes and agenda be noted.

### **21. Business Plan Update**

21.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).

21.2 The Chairman introduced the report and highlighted the new format of the report to align with new templates for West Sussex County Council meetings. The report gave an update on progress of the business plan, and how there had been impact from high level projects such as the Good Governance Project.

21.3 The Board discussed the annual reviews which normally took place in January and how they might proceed this year. The Board felt the reviews should continue and proposed using Microsoft Teams to complete them virtually.

21.4 Resolved – That the Board notes the updates to the Business Plans of the Board and of the Pensions Committee.

### **22. Regulations and Guidance update**

22.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).

22.2 The Chairman introduced the report and confirmed that the Local Government Pensions Committee (LGPC) bulletin 203 had been released which outlined Exit Caps, McCloud and the Consumer Price Index (CPI) increase.

22.3 The Pensions Committee report on Scheme Changes had been included as an appendix; and training on this subject would be delivered by the fund actuary after the meeting.

22.4 Tara Atkins confirmed that officers were currently focussed on the Exit Cap proposals.

22.5 Resolved – That the Board notes the current issues relating to Scheme Regulations and Governance.

### **23. Administration procedures and performance**

23.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

23.2 Tara Atkins introduced the report and confirmed that there had been 100% compliance in all areas for nine months. There were 18 deferred members without an Annual Benefits Statement for which the team were working on. Pension Saving Statements had been fully completed. Specific employers were being contacted to improve their performance for data submissions. There had been two low risk data breaches and officers were investigating into whether annual benefit statements which were unable to be produced constituted a material breach to the Pension Regulator.

23.3 Andrew Lowe, Head of Pensions, Investments & Borrowing at Hampshire, commented that the report portrayed the service well and reported that administration staff had adapted well to working from home arrangements.

23.4 The Board made comments including those that follow.

- Queried the impact from Covid-19 on employers. - *Tara Atkins reported that there had only been one employer who had been impacted by Covid-19 with regard to administration. There were no employers with consistent issues with payment of contributions each month.*
- Asked if the employer issues were linked to certain types of employers. - *Andrew Lowe reported that it was a mix of employers and that focus was on those with data quality issues.*
- Sought confirmation that appropriate contact was made with the relevant people for the employer for data concerns. - *Andrew Lowe confirmed that contact was made with high level contacts within the organisation, with a letter sent on behalf of Katherine Eberhart, Director of Finance and Support Services.*
- Asked how Covid-19 had impacted the pension administration team. - *Andrew Lowe confirmed that the team had adapted well. Initially there was a requirement to ensure that an appropriate phone system was in place to allow administrators to work from home. This system was now in place, stable, and working well. There had been good engagement with the County Council and employers which had led to a good general position.*
- Commented on the discussed issues concerning regulation changes and how this would impact administration workloads. - *Andrew Lowe confirmed that the administration team were working with schemes to understand the impact of the changes to allow consideration of resource implications.*
- Queried the communications planned for the regulation changes. - *Andrew Lowe confirmed that conversations were regularly taking place with schemes on this, with a particular current focus on the exit cap. The importance of communication was recognised, and a plan to inform would be established when there was more clarity on the regulations.*
- Noted the current limit for members to request one calculation per year, and asked if there would be exceptions to this given the proposed changes and impact for members. - *Andrew Lowe reported that members could run estimates themselves via the member portal. It was likely that the limit would remain in place, and members would be encouraged to use the portal. Board*

*members asked if the portal would highlight where changes had been applied. Andrew Lowe agreed to check with the team to see how changes would be communicated.*

- Asked if there was national guidance on communications for the changes. – *Rachel Wood explained that the County Council had put a freeze on estimates until national guidance was clear on how to apply the changes. Andrew Lowe confirmed that West Sussex County Council and Hampshire County Council, as Administering Authorities, were seeking legal advice for the instances where the regulations were in conflict. The Chairman confirmed the Scheme Advisory Board (SAB) was also challenging the legislation changes.*

23.5 Resolved – That the Board note the update.

## **24. Communication Strategy**

24.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

24.2 Tara Atkins introduced the report which included the Communications Policy Statement and also outlined the different communications documents that were sent out.

24.3 The Board made comments including those that follow.

- Noted that page three of the Communications Policy incorrectly referred to the Pensions Committee as the Pension Fund Committee.
- Queried if the list of stakeholders in the policy document should refer to council tax payers or the public. – *Tara Atkins commented that the criteria for including stakeholders depended on how the intended audience of the policy was interpreted. Tara Atkins resolved to take the query away for investigation.*
- Asked if tapered annual allowance should be referenced. – *Andrew Lowe resolved to look into this.*
- Queried the level of queries received on Pension Savings Statements. – *Andrew Lowe confirmed that queries were received on this. Tara Atkins added that queries generally related to those people who breached the limit once. Those who breached the limit regularly generally had a good understanding of tax.*

24.4 Resolved – That the Board notes the schedule of Communications drawn from the Communication Policy Statement and asks officers to consider the feedback given.

## **25. Training**

25.1 The Board considered a tabled document outlining the training that been recorded for Board members (copy appended to the signed minutes). Adam Chisnall apologised that the training log was missing from the initial agenda dispatch and resolved to add the log to the webpage after the meeting.



25.2 Adam Chisnall introduced the report and noted the progress that had been recorded for the Pension Regulator Toolkit modules.

25.3 Board members commented on recent training they had attended from CIPFA and Hymans Robertson. It was felt that powerpoint training lasting over 30 minutes felt too long to stay engaged with.

25.4 Members noted they had training scheduled after the current meeting, and discussed if training before a Board meeting would be more appropriate. - *Adam Chisnall raised concerns with this as Board meetings were required to begin at their publicised start time and so training beforehand could impact this, or impact the training.*

25.5 Resolved – That Board members will continue to report progress on training.

## **26. Review of Pension Fund Policy Documents**

26.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

26.2 Rachel Wood introduced the report and explained that Appendix C was the Investment Strategy Statement which contained exempt information. Discussion on this would be taken during the Part II section of the meeting.

26.3 Rachel Wood introduced the Funding Strategy Statement and explained that it was a living document in order to comply with any changes with regulations. The Statement now include a new employer classification for deferred employers. The Statement had been sent to employers for consultation, with a deadline for comments of early December.

26.4 The Board welcomed the inclusion of tracked changes to see the changes to the document. The Board also praised the plain English used in the Statement. - *Rachel Wood explained that officers had tried to make the Statement accessible for all audiences.*

Summary of Part II discussion

26.5 The Board discussed the contents of the Investment Strategy Statement during the Part II section of the meeting.

26.10 Resolved – That the Board notes the register of policy documents, the Funding Strategy Statement and the Investment Strategy Statement.

## **27. Date of Next Meeting**

27.1 The Board noted that its next scheduled meeting would take place on Friday 26 February 2020 at 9.30 a.m.

## **28. 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.

**29. Part II Minutes of the last meeting**

The Board agreed the Part II minutes of the 7 September 2020 meeting and they were signed by the Chairman.

**30. Pensions Committee Minutes – Part II**

The Board noted the contents of Part II minutes from the 22 July 2020 Pensions Committee meeting.

**31. ACCESS Update**

The Board considered the report by the Director of Finance and Support Services from the 23 October 2020 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

**32. AVC Update**

The Board considered the report by the Director of Finance and Support Services from the 23 October 2020 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

**Pension Advisory Board Progress Report – February 2021**

<b>Date Received &amp; Minute Number</b>	<b>Subject</b>	<b>Matters Arising</b>	<b>Who</b>	<b>Update</b>	<b>Next Update</b>
<b>22/11/18 Minute No. 77.5 3rd Bullet</b>	Governance Policy and Compliance Statement	The Board queried if there should be more references to the Board, e.g. Board meeting frequency.	VH	The update to the Governance Policy and Compliance Statement forms part of the agenda.	Closed
<b>07/09/20 Minute 6.1</b>	Internal Audit Item	Query raised whether an Internal Audit agenda item would be scheduled for November or February	VH	This will be included in the Business Plan item for the Pensions Committee in March and will come to Board in April.	28/04/2021
<b>07/09/20 Minute 8.2 5<sup>th</sup> Bullet</b>	ACCESS pooling	Board members requested training on the ACCESS pooling investment process	VH	Scheduled to follow the February meeting.	Closed
<b>13/11/20 Minute 23.4 7<sup>th</sup> Bullet</b>	Scheme Changes	The Board queried if scheme changes would be identified within the portal for members.	AL	Substantive changes to the scheme would be notified to members via the Portal.  In addition, the website will contain information on scheme changes.	Closed
<b>13/11/20 Minute 24.3 2<sup>nd</sup> Bullet</b>	Communication Policy - Stakeholders	The Board queried who should be included within the list of Stakeholders on the Communications Policy document	TA	The update to the Communication Policy Statement forms part of the agenda.	Closed
<b>13/11/20 Minute 24.3 3<sup>rd</sup> Bullet</b>	Communication Policy – Tapered Annual Allowance	The Board asked if tapered annual allowance should be referenced.	AL	Update to follow	28/04/2021

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## **Pensions Committee**

23 October 2020 – At a virtual meeting of the Pensions Committee held at 10.00 am.

Present: Cllr Hunt (Chairman)

Cllr Bradford, Cllr J Dennis, Cllr Elkins, Cllr N Jupp, Cllr Urquhart, Cllr Walsh and Ms Taylor (arrived at 10.15am and left at 12.35pm)

Apologies were received from Mr Donnelly

### **Part I**

#### **28. Declarations of Interests**

28.1 Cllr Walsh requested that the interests on the agenda be updated to reflect that he was the Leader of Arun District Council.

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

29.1 Resolved – That the Part I minutes of the Pensions Committee held on 22 July 2020 be approved as a correct record, and that they be signed by the Chairman.

#### **30. Pension Advisory Board Minutes - Part I**

30.1 The Committee considered the confirmed Part I minutes from the 26 February 2020 Pension Advisory Board meeting; and the Agenda from the 7 September 2020 meeting (copies appended to the signed minutes).

30.2 Resolved – That the minutes and agenda be noted.

#### **31. Business Plan**

31.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

31.2 Katharine Eberhart, Director of Finance and Support Services, introduced the report and explained that the external auditors (EY) had progressed the audit well. The accounts would be presented to the Regulation, Audit and Accounts Committee (RAAC) November meeting. The lessons learned from the audit would be captured to help with future audit planning. Cashflow would be impacted as employer contributions reduced by 1%, however the fund was still in a good position with income exceeding expenditure. The risk register had been updated to reflect that data issues were improving. The risk for cybercrime had been moved to amber to reflect the current risk. A new risk had also been added to reflect the impact on administration for upcoming scheme changes.

31.3 The Committee made comments including those that follow.

- Queried if the new risk for administration scheme changes was already covered by risk number five on resourcing. – *Katharine Eberhart explained that the identified issues were significant enough to warrant a separate risk.*
- Sought confirmation that all audit work had been completed. – *Katherine Eberhart explained that work was being completed and EY were yet to sign off their opinion. Work was on track for the item at the November RAAC meeting. It was proposed that clarity was added to the dates in the business plan.*
- Noted the change in risk status for cybercrime and asked if this was in response to any incidents. – *Katherine Eberhart confirmed that had not been any incidents and explained that the change in status represented the current heightened risk. Amber was the current appropriate status.*
- Queried if Brexit changed impacted risk 10 on political environments. – *Katharine Eberhart explained that most investments were international and so there was not much UK risk exposure.*
- Queried the risk for data issues and asked if the move to Oracle would reduce the risk rating. – *Katharine Eberhart explained that the move to Oracle would not impact the risk as it would not impact data quality. The risk concerned member information accuracy and the resources required to ensure that a quality services was provided.*

31.4 Resolved – that the Committee notes the update on the Business Plan and the risk matrix.

## **32. Administration Performance**

32.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

32.2 Katherine Eberhart introduced the report and confirmed that performance had remained consistently strong with all performance targets met. The administration team were working to improve the timeliness of certain employers submitting information. The portal was helping with efficiencies with members being able to self-serve.

32.3 The Committee made comments including those that follow.

- Asked if there was an update for the annual benefit statement breach. – *Katharine Eberhart reported that the breach was still being considered.*
- Queried the late employer payments and if there was anything additional to consider regarding the current national situation. – *Katherine Eberhart confirmed that the situation was actively being monitored and that there were no reports from employers that there was difficulty in making contribution payments. Rachel Wood, Pension Fund Strategist, confirmed there were no overarching concerns and that late payments were ad-hoc and concerned different employers and different months.*

32.4 Resolved – that the Committee notes the update.

### 33. Scheme Changes

33.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

33.2 Katharine Eberhart introduced the report and confirmed that McCloud and Goodwin were elements that required consideration.

33.3 Steven Law, Hymans Robertson, gave a presentation to the Committee which covered the impact of McCloud, Her Majesty's Treasury and Scheme Advisory Board (SAB) Cost Sharing, Goodwin, the £95k exit cap, and changes to the regulations concerning employer management (copy appended to the signed minutes).

33.4 Steven Law explained that these areas will result in a large increase in administration workloads.

33.5 The Committee made comments including those that follow.

- Raised concerns that the £95k exit cap changes could negatively impact members receiving low pay. – *Katherine Eberhart gave reassurance that officers would be responding to the consultation, including the points that had been raised.*
- Queried the increase in administration workloads and if the administration team would be changing their contract terms in response. – *Katherine Eberhart confirmed that a discussion was anticipated due to the required additional resources.*
- Asked if the backdated work for gender issues would be looking into living spouses or estates. – *Steven Law reported that Hymans Robertson were still awaiting guidance on this.*
- Sought clarity on what guidance was offered to members when they had to choose between options such as the example in the presentation. – *Steven Law confirmed that the pension fund was not allowed to give advice and so it was for the individual to seek their own advice.*
- Queried cessation deficits and how this would impact the fund when an employer leaves the scheme when the organisation has folded with no income. – *Steven Law explained that the order of responsibility would be followed for the deficit, in the order of employer, then administrators, then any securities in place, then the other employers that stand behind the employer.*

33.6 Steven Law reported that the implementation dates of the £95k pay cap would be early November; the LGPS regulation changes would be late this year or early next year. For other elements, Hymans Robertson were still waiting on guidance from the SAB on the impact on Funding Strategy Statements.

33.7 The Chairman confirmed that a change had been made to the report. The punctuation for paragraph 6.3, 4<sup>th</sup> bullet had been changed so it now read as 'Except in exceptional circumstances, such as an employer nearing cessation, market volatility and changes to asset values will not be considered as a basis for a change in contributions outside a formal valuation'.

33.8 Resolved – that:

- 1) The update, including the impact on the pensions administration team and the actuary is noted.
- 2) The amendments to the funding strategy statement as a result of employer flexibilities, as amended in minute 33.7, are agreed.

**34. Date of the next meeting**

34.1 The Committee noted that its next scheduled meeting would take place on 17 November 2020.

**35. Exclusion of Press and Public**

The Chairman noted that no Committee member disagreed with the meeting entering the Part II section of the meeting as set out on the agenda.

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.

**36. Part II Minutes of the last meeting**

The Committee agreed the Part II minutes of the Pensions Committee held on 22 July 2020.

**37. Pension Advisory Board Minutes - Part II**

The Committee noted the contents of the Part II minutes from the 26 February 2020 Pension Advisory Board meeting.

**38. AVCs**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the report and agreed with the officer recommendations.

**39. Investment Strategy Statement**

The Committee considered a report by the Director of Finance and Support Services.



The Committee considered the report and agreed with the officer recommendations subject to some amendments as agreed by the committee.

**40. Private Debt and Infrastructure**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the report and made a resolution in line with the officer recommendations.

**41. ACCESS**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the report and agreed with the officer recommendations.

**42. Review of Pension Investment Performance**

The Committee considered a paper by the Director of Finance and Support Services and the Fund Advisor relating to the quarterly performance reports from the fund managers.

The Committee welcomed the advice.

**43. Presentation by Baillie Gifford**

The Committee received an update from Lynn Dewar and Tim Gooding from Baillie Gifford on the portfolio performance for the quarter.

The meeting ended at 2.10 pm

Chairman

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## **Pensions Committee**

17 November 2020 – At a virtual meeting of the Pensions Committee held at 11.00 am.

Present: Cllr Hunt (Chairman)

Cllr Bradford, Cllr J Dennis, Cllr N Jupp, Cllr Urquhart, Cllr Walsh, Mr Donnelly and Ms Taylor (arrived at 11.35am)

Apologies were received from Cllr Elkins

### **Part I**

#### **44. Declarations of Interests**

44.1 None declared.

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

45.1 The Chairman requested that an update on the annual benefit statement breach be prepared for the January meeting.

45.2 Resolved – That the Part I minutes of the Pensions Committee held on 23 October 2020 be approved as a correct record, and that they be signed by the Chairman.

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

46.1 The Committee noted that its next scheduled meeting would take place on 25 January 2021.

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

The Chairman noted that no Committee member disagreed with the meeting entering the Part II section of the meeting as set out on the agenda.

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.

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

The Committee agreed the Part II minutes of the Pensions Committee held on 23 October 2020.

**49. ACCESS Update**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the information in the report and responded accordingly to the recommendations.

The meeting ended at 12.27 pm

Chairman

**Tony Kershaw**  
Director of Law and Assurance

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15 January 2021

## Pensions Committee

A virtual meeting of the Committee will be held at **10.00 am** on **Monday, 25 January 2021**.

**Items 1 to 10 in Part I of the agenda will be available to watch via the internet at the address below. Items 11 to 20 in Part II of the agenda contain exempt information, as indicated, and therefore will not be broadcast.**

<http://www.westsussex.public-i.tv/core/portal/home>

**Tony Kershaw**  
Director of Law and Assurance

## Agenda

### Part I

#### 10.00 am 1. **Declarations of Interests**

Members and officers are invited to make any declaration of personal or prejudicial interests that they may have in relation to items on the agenda and are reminded to make any declarations at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered.

It is recorded in the register of interests that:

- Mr Donnelly is a Horsham District Councillor
- Cllr Elkins is a Member of the Littlehampton Harbour Board and Arun District Council
- Cllr Hunt is the Chairman of the Chichester Harbour Conservancy
- Cllr Jupp is a Member of Horsham District Council and has a daughter who works for Blackrock
- Cllr Walsh is the Leader of Arun District Council and a Member of Littlehampton Town Council

These financial interests only need to be declared at the meeting if there is an agenda item to which they relate.

- 10.01 am 2. **Part I Minutes of the last meeting** (Pages 5 - 6)
- The Committee is asked to agree the Part I minutes of the meeting of the Committee held on 17 November 2020 attached (cream paper).
- 10.02 am 3. **Urgent Matters**
- Items not on the agenda, which the Chairman of the meeting is of the opinion, should be considered as a matter of urgency by reason of special circumstances.
- 10.03 am 4. **Part II Matters**
- Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.
- 10.04 am 5. **Pension Advisory Board Minutes - Part I**
- The Committee is asked to note the confirmed Part I minutes from the meeting of the Pension Advisory Board on 7 September 2020 and the agenda from the meeting of the Pension Advisory Board on 13 November 2020.
- (a) **7 September 2020 - Part I Pension Advisory Board Minutes** (Pages 7 - 12)
- (b) **13 November 2020 - Pension Advisory Board Agenda** (Pages 13 - 16)
- 10.10 am 6. **Election of Scheduled Body Representative** (Pages 17 - 20)
- Report by the Director of Law and Assurance.
- The Committee is asked to consider the recommendation within the report.
- 10.15 am 7. **Business Plan** (Pages 21 - 32)
- Report by the Director of Finance and Support Services.
- The Committee is asked to consider the recommendation within the report.
- 10.30 am 8. **Pension Administration Performance** (Pages 33 - 42)
- Report by the Director of Finance and Support Services.
- The Committee is asked to consider the recommendation within the report.

- 10.45 am 9. **Scheme Changes** (Pages 43 - 50)
- Report by the Director of Finance and Support Services.
- The Committee is asked to consider the recommendation within the report.

- 11.00 am 10. **Date of the next meeting**
- The next meeting of the Pensions Committee will be 10.00 a.m. 17 March 2021.

**Part II**

- 11.05 am 11. **Exclusion of Press and Public**
- The Committee is asked to consider in respect of the following items whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, 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.

- 11.08 am 12. **Part II Minutes of the last meeting** (Pages 51 - 54)
- To confirm the Part II minutes of the meeting of the Committee held on 17 November 2020, for members of the Committee only (yellow paper).

- 11.09 am 13. **Pension Advisory Board Minutes - Part II** (Pages 55 - 56)
- The Committee is asked to note the confirmed Part II minutes from the meeting of the Pension Advisory Board on 7 September 2020 (yellow paper).

- 11.10 am 14. **ACCESS** (To Follow)
- Report by the Director of Finance and Support Services attached for members of the Committee only (yellow paper).
- The Committee is asked to consider the recommendations within the report.

- 11.30 am 15. **Private Equity** (Pages 57 - 70)
- Report by the Director of Finance and Support Services attached for members of the Committee only (yellow paper)
- The Committee is asked to consider the recommendations within the report.

- 11.50 am 16. **AVCs** (Pages 71 - 80)
- Report by the Director of Finance and Support Services attached for members of the Committee only (yellow paper).
- The Committee is asked to consider the recommendations within the report.
- 12.00 pm 17. **Baillie Gifford Paris Aligned** (Pages 81 - 84)
- Report by the Director of Finance and Support Services attached for members of the Committee only (yellow paper).
- The Committee is asked to consider the recommendations within the report.
- 12.15 pm 18. **Review of Pension Investment Performance** (To Follow)
- Paper by the Director of Finance and Support Services and Independent Fund Adviser summarising transactions and performance during the quarter and giving comments on the quarter, for members of the Committee only (yellow paper).
- Break 12.30pm - 1.00pm**
- 1.00 pm 19. **Presentation by Aberdeen Standard**
- The Committee to receive a presentation on portfolio performance.
- 1.45 pm 20. **Property Mandate** (To Follow)
- Report by the Director of Finance and Support Services attached for members of the Committee only (yellow paper).
- The Committee is asked to consider the recommendations within the report.

**To all members of the Pensions Committee**



**West Sussex Pensions Committee**  
**Virtual meeting on 25 January 2021 at 10:00**

I read the public papers and listened to the live webcast, but I did not join the formal meeting.

The main reports of interest to the Pension Advisory Board will be submitted to the meeting on 26 February but I have set out below some of the key points that emerged from the Committee's discussion.

**Item**

**5. Pension Advisory Board Minutes 7 September and Agenda for 13 November** – no questions raised or comments made.

**6. Election of Scheduled Body Representative**

Key points from the discussion

- Scheduled bodies to be asked to nominate a shared representative
- About 100 bodies which include education establishments
- Position vacant for many years but desire to fill
- Schools Forum mooted as an option
- Process considered too cumbersome – need to streamline
- Agreed to shortlist up to 10 nominees

**7. Business Plan**

Key points to note from the discussion were:

- CMA submission to be completed by end of month
- One employer insolvency but backed by local authority
- Training on ACCESS scheduled for 26 February if viable (PAB date)
- GMP deadline confirmed as not mandatory but cutoff date for data
- AVC delay had no significant impact
- Funding level of 120% too optimistic (Stephen Law - SL) due to RPI switch to CPIH – market reaction not as expected.
- Level could drop but by no more than 5%
- GAD to use a different basis on mortality

## **8. Administration Performance**

Key points to note from the discussion were:

- Performance still at 100%
- Excellent performance as expected supports the decision to change
- Need to keep pressure on employers to provide data
- Minor data breaches noted as not 'sinister'
- Confirmed members warned about potential scams
- Telephone service praised

## **9. Scheme Changes**

Key points to note from the discussion were:

- Concern over the conflict of dates for implementing the £75K exit cap but with no risk-free option
- Limited feedback on employer flexibilities
- SL update
  - Ministerial statement on McCloud expected in February
  - MHCLG will then need to draft regulations
  - Cost sharing calculations can't be completed
  - Three cases for judicial review on £75K cap expected in March
  - Ombudsman won't 'rule' until then
  - Communications must be transparent
  - No real conclusions expected before the summer
- Administration concentrating on data collection up to end of March but additional staff may then be needed

## **10. Date of next meeting – 10:00 on 17 March**

**Peter Scales**  
**Chairman, Pension Advisory Board**

**Report to Pensions Committee****January 2021****Election Process for Scheduled Bodies Employer Representative****Report by Director of Law and Assurance****Electoral division: Not applicable**

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**Summary**

The Pensions Committee has three co-opted member places for representatives of the West Sussex Pension Fund. One place, for a Scheduled Body Employer representative, has been vacant for some time.

A proposal for a nomination and election process to fill this vacancy is attached for consideration at Appendix 1.

**Recommendation**

- (1) That the proposed nomination and election process for a Scheduled Body Employer Representative be approved.
- 

**Proposal****1 Background and context**

1.1 There has been a vacancy on the Pensions Committee for a scheduled body representative for some time. This was previously taken up by the Police and Crime Commissioner's Office which decided several years ago that it no longer wished to use this seat. The other two representative places are for a representative of district and borough councils and for a member of the West Sussex Pension Scheme. Both are currently filled.

1.2 The Constitution of the Pensions Committee states that:

'It is not part of the Administering Authority's remit to administer the selection process for the borough and district, scheduled body or employee members sitting on the Pensions Committee or to ensure their attendance at meetings, **unless they wish to do so**, but instead to determine what sectors or groups are to be invited to sit on the Pensions Committee and to make places available.

However, as far as possible, employer representatives should have a democratic mandate in addition to the mandate from their governing body or equivalent.'

1.3 As there has been a vacancy some time, the Committee is asked to consider whether it wishes to administer the selection process for the Scheduled Body Employer representative to ensure the vacant position is filled.

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- 1.4 There are around 100 Scheduled Body Employers, mostly comprising school academies and higher education bodies.

### **2 Proposal details**

- 2.1 It is proposed to ask the education establishments who are Scheduled Body Employers (Higher Education Colleges and Academies) to agree to nominate a shared representative. Appendix 1 sets out the proposed criteria for applications and an election process that can be run if more than one nomination comes forward.

### **3 Other options considered (and reasons for not proposing)**

- 3.1 As there has been a vacancy for several years now, this appears to be the fairest approach to seek a representative from the Scheduled Bodies sector.
- 3.2 An alternative would be to simply write to the Scheduled Body Employers to ask for a representative, but this would not encourage the employers to work collectively and there would not be a mechanism to resolve multiple applications, hence the election approach is recommended.

### **4 Consultation, engagement and advice**

- 4.1 Scheduled Body Employers from the above group will be contacted if the Committee approves the proposed process, and will be informed of the process.

### **5 Finance**

- 5.1 The costs of running an electronic election will be minimal and will be met within existing resources within Democratic Services.

### **6 Risk implications and mitigations**

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
That the process does not lead to a successful appointment.	The establishment of a nomination and election process should ensure that the seat is filled. If this does not happen the process will be reviewed to identify impediments

### **7 Policy alignment and compliance**

- 7.1 Not applicable.

Tony Kershaw  
**Director of Law and Assurance**

**Contact Officer:** Charles Gauntlett, 033022 22524,  
charles.gauntlett@westsussex.gov.uk

### **Appendices**

Appendix A - Draft Election Process

### **Background papers**

None.

## **Draft Election Process for Scheduled Bodies Employer Representative (for HE and Other Education Bodies) 2021**

### **Nomination Process**

Scheduled Body Employers in the education sector will be contacted and will be invited to work together to identify nominees to fill the vacancy for this representative member of the Pensions Committee.

### **Criteria for Nomination**

A representative who is put forward as a candidate for election must fulfil the following criteria:

- Must be a member of the governing body of the scheduled body
- Must have at least two years left on their expected term of office
- Be nominated by the chair of the governing body (or the vice-chair if the candidate is the chair)

### **Election Process**

First step, week 1 – Write to the nominated contact of each scheduled body (around 100 organisations) to set out the vacant role, the proposed nomination and election process and request agreement to approach to a shared appointment.

Each body is asked to agree to the approach or to raise an objection. Each body is also invited to consider whether to make a nomination for the representative who will take a seat on the Pensions Committee. Nominees are invited to support a statement of up to 200 words about why they wish to be appointed.

Week 6 – Deadline for receipt of comments on the proposed process, nominations and supporting statements. If a majority of responses are in favour of the proposed process, the process will be deemed to be confirmed and an election process will be carried out. If there is a single eligible candidate, they will be deemed to be elected unopposed.

Week 7 – If required, a ballot will be held. An email will be sent to the nominated contact of the scheduled body who will obtain a vote from the governing body. Information about each candidate will be included.

Week 11 – Deadline for votes to be submitted.

Week 12 – Votes counted, if possible allowing observers on behalf of candidates in a room at County Hall, Chichester. The Count will be observed by the Returning Officer for the election, who will declare the result. The results will be emailed to each scheduled body and will be reported to the next meeting of the Pensions Committee.

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## **Pension Advisory Board**

**26 February 2021**

### **Business Plan Update**

#### **Report by the Chairman of the Pension Advisory Board**

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##### **Summary**

The Pension Advisory Board (PAB) is required to review its performance over the past year and report to the Governance Committee and to the Pensions Committee.

The performance report reflects a series of one-to-one meetings held with each Board member. Similar review meetings are to be held with the chairman of the Pensions Committee and with the S151 Officer. The table sets out the achievement of key tasks and activities against those set in the Business Plan for 2020/21.

The PAB Plan has been drawn up to be consistent with that of the Pensions Committee and the Board receives regular update reports as submitted to the Committee at each meeting, which include a review of risks. The most recent report is attached.

##### **Recommendations**

The Board is asked to:

- i. agree the performance report for 2020/21 in **Appendix A**, and that the Pensions Committee and Governance Committee be informed; and
  - ii. to note the Pensions Committee's business plan update report attached as **Appendix B**.
- 

##### **Proposal**

###### **1. Background and context**

1.1 The Board agreed its Business Plan for the two years 2020/21 and 2021/22 on 7 September 2020. As part of its core business activity, the Board reviews progress on achieving the key tasks and activities at each meeting. Similarly, the Board considers updates on progress for the Pensions Committee's Business Plan at each meeting, including their review of the risk matrix for the fund.

1.2 Performance in the current year must be viewed in the context of the COVID-19 pandemic and the impact that has had on working arrangements, on the availability of officers and other participants, and on

## Agenda Item 8

national governance initiatives which are a significant driver to the Board's business. Inevitably, the continuing pandemic will impact on business planning for 2021/22 and beyond.

### **2. Business Plan performance report for 2020/21**

- 2.1 The draft report set out in **Appendix A** provides a summary of the Board's key activities and achievements over the past year, including an assessment of the Board itself.
- 2.2 As agreed in previous years, the chairman met (in virtual format) with each board member in January on a one-to-one basis to discuss performance over the past year, plans for the coming year and future training needs. The chairman is also meeting with the S151 Officer, Katherine Eberhart, and the chairman of the Pensions Committee, Jeremy Hunt, just prior to the Board meeting to review the Board's role, performance and plans.
- 2.3 Alongside the Board's own Plan, updates on the Committee's Plan as reported to their meetings are also monitored by the Board. This is particularly relevant in monitoring the fund's risk management processes. A copy of the Pensions Committee's business plan update report as submitted to their meeting on 25 January is attached as **Appendix B**.

### **3. Business Plan for 2021/22 and 2022/23**

- 3.1 The Board will be considering its Plan at its next meeting and when the Committee has agreed its own Plan. These Plans will be better informed once progress is made on national initiatives, particularly those relating to the Good Governance Review.

### **4. Other options considered (and reasons for not proposing)**

N/A

### **5. Consultation, engagement and advice**

N/A

### **6. Finance**

- 6.1 The Board has a budget agreed as part of its business plan, but this has not been affected in any significant way by the pandemic.

### **7. Risk implications and mitigations**

- 7.1 ***Failure to manage work efficiently and effectively*** – The use of virtual meeting arrangements has enabled the Board to continue to work as efficiently and effectively as possible.
- 7.2 ***Failure to account for activities and performance*** – updates to each meeting monitor performance on a regular basis.



**8. Policy alignment and compliance**

- 8.1 The Board's business plan is developed to be consistent with the Pensions Committee's plan.

**Peter Scales**

Chairman of the Pension Advisory Board

**Contact Officer:**

Adam Chisnall, Democratic Services Officer, 033 022 28314

**Appendices**

**[A] Business Plan Performance Report for 2020/21**

**[B] Pensions Committee's Business Plan Update Item 7 25/01/21**

**Background papers**

None

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## West Sussex Pension Advisory Board

### Business Plan 2020/21 performance report

#### Board establishment

The revised Board structure agreed in 2018 which increased membership by two and added a fourth meeting has continued to prove effective in increasing the capacity to deliver the Board's business during 2020/21, notwithstanding the difficult circumstances which prevented physical meetings.

Kim Martin (employer representative) was re-appointed in November for a further four-year term which helped maintain continuity. The Board now has a stable group of members with a wide range of individual skills and broad representation.

The appointments cycle is staggered to provide continuity as shown below:

	<b>Representing</b>	<b>First appointed</b>	<b>Next review due</b>	<b>Service time limit</b>
<b>Peter Scales</b>	Independent	April 2015	2024	N/A
<b>Richard Cohen</b>	Employers	April 2015	2023	2027
<b>Miranda Kadwell</b>	Employers	Nov 2018	2022	2030
<b>Kim Martin</b>	Employers	Nov 2016	2024	2028
<b>Becky Caney</b>	Active	Nov 2018	2022	2030
<b>Chris Scanes</b>	Pensioners	April 2015	2023	2027
<b>Tim Stretton</b>	Deferred	Nov 2017	2021	2029

#### Board meetings

Due to the national restrictions introduced in March 2020 in response to the COVID-19 pandemic, it was necessary for the County Council to review its arrangements for public meetings in line with the emergency legislation.

In order not to place undue pressure on working arrangements, the Board's meeting scheduled in June was cancelled and replaced with the circulation of key documents to provide members with assurances about the maintenance of the pensions administration service and an update on key tasks and activities. The Board held three meetings during the remainder of the year in a virtual format with good attendance.

The business for each meeting has been in line with the core work plan agreed and is based on the responsibilities of the Board and guidance issued about key issues to cover, and on 'live' issues arising during the year. Relevant interests are recorded, and any changes declared at each meeting. There have been no conflicts of interest potential or otherwise and the register has been updated.

The Board is scheduled to meet three to four weeks after a meeting of the Pensions Committee and receives certain reports as submitted to and considered by the Committee on the business plan updates, including risks, administration, ACCESS and other issues in order to avoid duplication by officers. This has worked well in the year in keeping the Board well informed of the Committee's decision-making process.

In addition, with the introduction of virtual meetings, members can listen in to Committee proceedings as can a member of the public. The chairman has done this for all meetings so far and reports back to the next meeting of the Board with a summary of the main items discussed in a governance and compliance context.

The Board has established standing agenda items on regulations and guidance (with references to the LGPC, SAB and tPR websites) which not only provide updates on changes but also provide a source of reference for the statutory regulations and guidance. This is a key element in helping the Board members to keep up to date and maintain a suitable level of knowledge and understanding.

In terms of what has been achieved during the year, the schedule below shows actions against key tasks and demonstrates that a comprehensive programme of work has been completed.

It is important to note that the pandemic has not only disrupted normal working arrangements for the administration but has also severely disrupted progress on national initiatives driven by MHCLG, SAB and tPR. This has meant that governance and regulatory changes that the Board were expecting did not happen, and recovery of progress remains slow.

### **Annual performance reviews**

In terms of individual Board members perceptions of performance, these were covered in the one-to-one performance review meetings held remotely in January. Some of the key conclusions are summarised below.

The current year 2020/21 - There was a general acceptance that the pandemic had been a major distraction to the Board's normal operations but that the administration processes had adapted well. Virtual meetings had been a little slow to evolve and were not liked by most members in that they felt some detachment and disengagement. Nevertheless, the Board has continued to operate effectively, despite the lack of progress on national initiatives.

The year ahead 2021/22 - There was a general consensus that the Board needed to 'get back on track' with Scheme developments and in particular the Good Governance Review by SAB. A number of areas were identified for attention and these are listed below.

Knowledge and understanding – The Board has a good standard of underlying knowledge and understanding and needs to maintain the process of regular updates and refreshers. The ability to draw on external web-based resources (e.g. LGPC, SAB, tPR) was welcomed as a source of reference. All preferred training to be bespoke to the West Sussex Fund and with 'short bite' sessions after each meeting. External seminars (e.g. CIPFA/BW, LGA) were considered helpful though less focussed and more time consuming, the latter being helped by on-line seminars. Feedback from external training through a process of shared learning is being developed.

Personal contributions – All were satisfied with their role on the Board and considered there was a valuable spread of experience of different aspects of the administration.

Pensions Committee – There is a good relationship with the Committee which is enhanced by the timing of meetings (i.e. timely sight of Committee reports) and the exchange of minutes. The ability to listen in to webcasts was a useful feature of the current arrangements. Joint training sessions are also helpful as with the accounts training.

Scheme manager interaction – There was a consensus that the working arrangements were good and effective currently. The officers were proactive, supportive, and responded well to questions. The involvement of Hampshire in Board meetings has been effective and gives the assurance of good service, although independent audit assurance was still required.

### **Areas for attention**

These are the areas where progress has not been as good as was expected, albeit mainly due to the pandemic, and where further work is needed:

- Internal controls and audit assurances (scheduled for April meeting)
- Governance compliance changes (awaiting outcome of SAB review)
- The Pensions Regulator's proposals for change
- Potential pensions/cyber scams – controls and warnings to members
- Pooling governance arrangements (scheduled for February meeting)
- Impact of Scheme changes on administration performance and employers
- Strategic investment issues, compliance and knowledge building
- Comparisons to other local pension boards and their operations
- Unit costs and service levels, national comparisons
- Auto-enrolment and growing membership

**Chairman's comments**

The Board has continued to work well through difficult circumstances. I am grateful for the input from each member and reassured in the ability of the Board to tackle new challenges in the coming year.

**Pension Advisory Board - Business Plan 2020/21**  
**Achievement of key tasks and activities**

<b>Core on-going work</b>	<b>Achievement of core tasks</b>	<b>Special activities and reviews</b>
<b>Business Planning and Performance</b>		
<p>Agree programme of work, budget and resources for the coming year and monitor progress at each meeting</p> <p>Undertake a self-assessment of performance for the year to include one-to-one interviews in January/February</p> <p>Agree a report each year on activity for inclusion in the Fund Annual Report and for scheme employers</p>	<p>Plan agreed at 7 September meeting. Updates provided to each meeting.</p> <p>Interviews held in January for Board members, and Committee chairman and S151 officer in February</p> <p>Performance reported to February meeting and annual report to be reported in April</p>	<p>Help maintain workflows in the light of new COVID19 secure working arrangements</p> <p>Work programme adapted to allow for officer time and delays on national developments</p>
<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• Failure to manage work efficiently and effectively</li> <li>• Failure to account for activities and performance</li> </ul>		

<b>Compliance checks</b>		
Review the County Council's policy on conflicts of interest annually, ensure interests declared at each meeting and maintain a register of interests for the Board on the website.	Register maintained and interests checked at each meeting	Review of conflicts policy in line with West Sussex authority-wide arrangements.  In progress
Review the Pension Fund Annual Report and Accounts for content and compliance.	Reviewed at September meeting with CIPFA guidance	
Review statutory policy statements on a regular basis and on a three-year rolling basis	FSS, ISS, communications, and Treasury Management reviewed	
Monitor and review changes to regulations and guidance at each meeting	Reviewed at each meeting	Presentation on Scheme changes in November

<p><b>Key risks</b></p> <ul style="list-style-type: none"> <li>• Failure to manage conflicts properly</li> <li>• Non-compliance with regulations and guidance</li> </ul> <p>Changes implemented at short notice due to delays caused by pandemic</p>		

Core on-going work	Achievement of core tasks	Special activities and reviews
<b>Governance arrangements</b>		
Review decisions of the Pensions Committee	Agenda, minutes and relevant papers are shared with the Board.	Chairman attended each meeting webcast and provided summary report to Board at each meeting
Review management and monitoring of the pension fund risk register	Reviewed in business plan update for Committee	Define role in risk management process Board reports and Plan updates reference risk considerations
Monitor audit reports and assurances on internal controls	Delayed by pandemic and due for report in April 2021	Review internal audit programme of work
Monitor work planned by the Pensions Regulator (tPR)	Website monitored but tPR action deferred	
Monitor reports and initiatives from the Scheme Advisory Board (SAB)	Reviewed at each meeting	Review SAB proposals on future governance arrangements when made available - <b>awaited</b>
Respond to surveys and requests for information from the tPR and the SAB	SAB survey deferred	tPR 2019 survey results and 2020 submission reviewed in February
Report to the Pensions Committee and Governance Committee on a regular basis and as required	Board minutes are reviewed at each Committee meeting	
Report to tPR, MHCLG and SAB in exceptional circumstances	None have arisen	
<p><b>Key risks</b></p> <ul style="list-style-type: none"> <li>• The decision-making process is not fully effective</li> </ul>		



- Key risks are not managed properly
- Failure to be aware of scheme-wide developments and changing requirements
- Failure to properly account for the Board's activities

Misinterpretation of data given in response to SAB and tPR surveys

Core on-going work	Achievement of core tasks	Special activities and reviews
<b>Administration procedures and performance</b>		
Consider a report on the administration of the scheme at each meeting		Reviewed impact of COVID-19 in Sept
Monitor notifiable events and the recording and reporting of breaches		Review management of breaches register Reviewed
Monitor key performance indicators and recovery action		
Monitor recording of compliments and complaints, and progress on IDRP cases	Report received at each meeting with Hampshire in attendance	
Monitor movements in membership numbers		
Monitor data quality and integrity, and progress on improvement plans		Review progress on Data Improvement Plan - Monitored
Monitor timeliness of receipt of contribution payments and any recovery action required		
Review operation of key internal procedures and controls relating to third party contracts	Monitored Committee review of AVC arrangements in Sept/Nov, and transition to new provider in February	Review internal controls for areas of weakness particularly in relation to COVID19 pandemic Deferred to April meeting 2021 after Committee review
<b>Key risks</b> <ul style="list-style-type: none"> <li>• Failure in the efficient and effective administration of the scheme</li> <li>• Non-compliance with reporting requirements</li> <li>• Failure to detect potential problems, including fraud at an early stage</li> <li>• Impact of COVID19 pandemic</li> </ul>		

<b>Core on-going work</b>	<b>Achievement of core tasks</b>	<b>Special activities and reviews</b>
<b>Investment and funding</b>		
Review the investment strategy statement to assess compliance with regulations and guidance issued by MHCLG and CIPFA	Reviewed in November but revised guidance from MHCLG is still awaited	
Review the funding strategy statement to assess compliance with regulations and guidance	Reviewed in Sept and Nov to pick up changes in regulations	
Review the process of consultation with appropriate persons, particularly scheme employers	Noted consultation on ISS and on FSS changes	Review outcomes from valuation process, particularly in relation to consultation with employers - Done
Review the valuation process for compliance and good practice	Deferred pending outcome of Government review of valuation cycle	
Review developments on the pooling arrangements, particularly in relation to governance and investment management	Progress reports on implementation received at each meeting	
Monitor arrangements for monitoring investment performance and costs	Part of presentation on ACCESS governance in February	
Monitor developments in relation to responsible investing and ESG issues insofar as they relate to the Board's responsibilities	SAB withdrew earlier draft guidance and are working on an 'A-Z' of responsible investing	Review revised SAB guidance when issued - in progress
<p><b>Key risks</b></p> <ul style="list-style-type: none"> <li>• Non-compliance with investment regulations and Government guidance</li> <li>• Failure of proper governance arrangements in the pooling of Fund assets</li> <li>• Failure to comply with or respond to developments in good practice or regulatory compliance</li> <li>• Net asset values are insufficient to meet future liabilities</li> <li>• Lack of clarity on role of PAB in relation to ACCESS and on responsible investing</li> </ul>		

<b>Core on-going work</b>	<b>Achievement of core tasks</b>	<b>Special activities and reviews</b>
<b>Communications</b>		
Monitor disclosure of information in line with statutory requirements, including annual benefit statements	ABSs template reviewed in September AVCs reviewed in Sept/Nov	Review effectiveness of communications in ABSs and AVCs - Done
Review newsletters for content and clarity	Reviewed pensioner newsletter in January	
Review communications with employing authorities	Reviewed by employer representatives	
Monitor developments in the website and pensions portal	Part of regular review of administration	
Consider more effective links to scheme members	Reviewed Communications policy in November	
<b>Key risks</b> <ul style="list-style-type: none"> <li>• Failure to keep employers and scheme members properly informed</li> <li>• Non-compliance with Administration Strategy</li> <li>• Scheme members fail to understand scheme benefits and opt-out</li> </ul>		

<b>Training</b>		
Maintain training log and review activity regularly	Reviewed at each meeting	
Monitor implementation of training strategy	Reviewed at each meeting	Develop a more effective and structured approach to Board training - done
Identify opportunities for in-house training after each meeting and for external training courses or events	Board strategy reviewed in September	Establish collaborative approach to sharing learning experiences - being developed
<b>Key risks</b> <ul style="list-style-type: none"> <li>• Failure of Board members to maintain a suitable level of knowledge and understanding</li> <li>• New training requirements imposed on PAB in relation to compliance testing</li> </ul>		

**Report to Pensions Committee****25 January 2021****Business Plan Update****Report by Director of Finance and Support Services****Electoral division(s): N/A**

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**Summary**

The Pensions Committee approved its Business Plan for 2020/21 in July 2020. The Business Plan sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved.

The Pensions Committee's approach, historically, has been to review its business plan annually at the start of the year and consider the risks faced by the Fund. A report based on any emerging key business issues, any issue with the highest levels of risk identified, or any other matter the Director of Finance and Support Services wishes to bring to the attention of the Committee is then provided each quarter.

The following are highlighted:

- The Pension Fund's Statement of Accounts for 2019/20 were approved by Regulation, Audit and Accounts Committee on 20 November 2020.
- The implementation of the Fund's new AVC arrangement is behind the original 31 December 2020 scheduled go live date but on track to complete by 31 March 2021.
- There have been several significant Scheme changes and developments that impact the Fund and steps have been taken to ensure that the Fund responds appropriately.
- A consultation with stakeholders on the Fund's Investment Strategy Statement has been launched following the approval of the draft Statement by the Committee in October 2020.
- During the quarter the Fund has made its first investment in the ACCESS Authorised Contractual Scheme and made commitments to two private debt funds. A further commitment to an infrastructure fund is due to complete by 31 January 2021.

**Recommendations**

- (1) The update on the Business Plan is noted.
  - (2) The risk matrix for the Fund is noted.
-

## Proposal

### 1 Background and context

1.1 The Fund's overarching objectives are set out below:

**Governance:** Act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, and well based, ensuring sound governance, risk management and compliance and that the management of the Fund is undertaken by people who have the appropriate knowledge and expertise.

**Investments and Funding:** To minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return.

**Administration and Communication:** Deliver a high quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time, clear communication and robust accounting and reports.

### 2 Update

2.1 The following provides an update on progress against the Business Plan deliverables:

Original Business Plan Objective as agreed by the Pensions Committee July 2020	Update	RAG
<b>Pension Administration</b>		
A good performing administration function is key to our stakeholders and for ensuring the quality of information held by the Fund for calculating benefits and liabilities.	95.1% of active Annual Benefit Statements and 99.9% of deferred Annual Benefit Statements were produced in line with the statutory deadline (31 August 2020).	● Green
In addition to compliance with statutory deadlines (including Annual Benefit Statements by 31 August) and completion of the data improvement plan by 31 March 2021, the roadmap for the administration team over the year reflects the greater use of technology to assist delivery of the service.	The roadmap for the administration team is well progressed.  Between July and 31 December 2020, 1,358 retirement quotes had been run online and between April and 31 December 2020, 17% of new starters were contacted electronically and asked to log into the Member Portal. The electronic retirement process was introduced in October, so it is too early to provide any meaningful analysis on its implementation. These three initiatives should improve members access to information about their pension benefits and reduce casework for the administration team over time and	

Original Business Plan Objective as agreed by the Pensions Committee July 2020	Update	RAG
	<p>the team are working with employers to increase adoption.</p> <p>The Employer Hub, which will provide online functionality for employers providing information to the team and reviewing membership information, is due to be rolled out to all employers by August 2021.</p>	
<b>GMP (Guaranteed Min Pension)</b>		
<p>Following the end of contracting out each Administering Authority is required to review its records for who it pays a Guaranteed Minimum Pension to against HMRC records and update on changes. The Fund intends to complete the GMP reconciliation and rectification work by 31 March 2021.</p>	<p>Work is progressing on the GMP reconciliation. Further information will be provided to the Director of Finance and Support Services shortly. The work is due to complete in May 2021.</p>	<p>● Amber</p>
<b>Robust accounting</b>		
<p>The Pension Fund is required to produce accounts in line with statutory deadlines. The accounts are subject to external audit review and assurance. The successful completion of external audit work by 30 September 2020 is a key priority. To ensure continuous improvements, officers will also complete full lessons learnt by 30 September 2020 and develop project and engagement plan for the 2020/21 Audit by 31 December 2020.</p>	<p>The Pension Fund's Statement of Accounts for 2019/20 were approved by <a href="#">Regulation, Audit and Accounts Committee on 20 November 2020</a>. At the meeting the external auditors (EY) explained there was an unqualified opinion. The risks that had been investigated concerned management override, property valuations and ongoing concerns. EY were satisfied that correct approaches had been taken and all disclosures were complete.</p> <p>The 2020/21 project plan has been updated to reflect lessons learnt from the 2019/20 close and officers have engaged with EY in preparation for the forthcoming audit work.</p>	<p>● Closed</p>
<b>Annual Reporting</b>		
<p>The Pension Fund is required to produce an Annual Report in line with statutory deadlines and considering statutory guidance. The 2019/20 Report will be considered by the Committee at their meeting on 22 July and the Pension Advisory Board in September.</p>	<p>The Report was approved by the Committee in July. The Pension Advisory Board subsequently reviewed the document for compliance.</p>	<p>● Closed</p>
<b>Accounting system</b>		
<p>The County Council is changing its core accounting system to Oracle. Officers will work with colleagues across the County Council to ensure processes, procedures and reporting are in place within the core accounting system implemented to</p>	<p>Project work is ongoing.</p>	<p>● Green</p>

Original Business Plan Objective as agreed by the Pensions Committee July 2020	Update	RAG
replace the current SAP system by no later than 31 December 2021.		
<b>AVC Provider</b>		
The Fund has 244 AVC members with a value of £2.4 million (invested through Standard Life and Utmost Life). The Fund intends to complete a review AVC provision and implement recommendations by 31 December 2020.	The implementation is behind the original 31 December 2020 scheduled go live date but on track to complete by 31 March 2021. Update covered in Agenda Item 16.	● Amber
<b>Respond to Scheme Changes</b>		
The Fund must ensure it complies with all legislative requirements, statutory guidance and requirements of the Pensions Regulator and communicates matters appropriately. There are several relevant Scheme changes being implemented which officers and the Committee will consider, respond to and communicate with stakeholders on changes.	There have been several significant developments that impact the Fund. A full report on the issues and the Fund's response is covered in Agenda Item 9.	● Green
<b>Ensure appropriate contractual terms</b>		
The Fund must ensure it has appropriate terms are in place with all service providers. Officers will review agreements with service providers in line with contract end dates.	Of the arrangements subject to review, agreements have been put in place with Hymans Robertson (Actuarial Services) and Savills (External Valuer). The Fund's property mandate is covered in Agenda Item 20 and the Fund's balanced mandate is covered in Agenda Item 14.	● Green
<b>ACCESS Pool</b>		
The ACCESS Pool has been set up to meet the Government's investment reform criteria. A revised Inter Authority Agreement between participating ACCESS Authorities will be completed by the Authority and training on ACCESS Governance will be provided to the Pensions Committee and Pension Advisory Board.	The revised Inter Authority Agreement has been agreed by each of the participating Authorities. Training for the Pensions Committee and Pension Advisory Board is scheduled for February 2021.	● Closed
<b>Investment Strategy</b>		
It is important to ensure that the investment strategy remains aligned to meet the Pension Committee's long-term objectives. The Committee will consider recommendations following the completion of the Asset Liability Modelling work and review the Fund's Investment Strategy Statement document by 30 September 2020. It is also anticipated the Fund will make its first investment in the ACCESS Authorised Contractual Scheme by 30 September 2020 following the completion of appropriate due diligence.	The Fund's Investment Strategy Statement was agreed by the Pensions Committee in October 2020. A consultation with stakeholders concludes on 22 January 2021.  In terms of implementation, the Fund made its first investment in the ACCESS Authorised Contractual Scheme on 15 December 2020 and (following the Committee's decision in October 2020) made commitments to	● Amber



<b>Original Business Plan Objective as agreed by the Pensions Committee July 2020</b>	<b>Update</b>	<b>RAG</b>
Further investment will be taken following consideration of the sub-funds available to meet West Sussex's requirements.	Goldman Sachs Broad Street Partners Fund on 21 December 2020 and ICG's Senior Debt Partners Fund on 31 December 2020. A further commitment to an infrastructure fund is due to complete by 31 January 2021.	
<b>Responsible Investment</b>		
There is continued focus on LGPS stakeholders on as to how the Fund can best address and manage Responsible Investment (RI) issues such as Environmental, Social and Governance matters. The Committee will agree and publish the Fund's Responsible Investment Policy by 30 September 2020 and implement the strategy, taking advice as appropriate.	The Pension Committee's policy in relation to Responsible Investment forms part of the Investment Strategy Statement which is covered above.	● Closed
<b>Competition &amp; Markets Authority</b>		
Under the CMA Order the Fund was required to set objectives for providers of investment consultancy services. It is necessary to review these each year. The Fund will undertake a review to be completed by 31 December 2020.	The Fund is completing its initial certification to the CMA.	● Red
<b>2019 valuation</b>		
The Fund completes a full valuation every three years (latest at 31 March 2019). Amendments will be made to the Funding Strategy Statement as required and a full lessons learnt exercise to further improve future valuation exercises will complete by 30 September 2020.	During 2021/22 the Fund will develop a clear project plan based on its lessons learnt to improve co-ordination with the administration team, provide clear ownership over the process and individual tasks and to engage early with employers, particularly around admission bodies.	● Closed
<b>Employer risk framework</b>		
The Pension Fund has a growing employer population from a variety of sectors. The Fund will development a framework to monitor and take steps to mitigate risk presented to the Fund in respect of participating employer liabilities to be developed and implemented by 31 December 2020.	External advice has been provided on employers considered to be a higher risk to the Fund due to changes in financial covenant. The Director of Finance and Support Services will consider the review and recommendations and take steps (where appropriate) to manage risk during the next quarter.	● Amber
<b>Work by the Scheme Advisory Board</b>		
Responsible Investment and the Good Governance project are key work items for the SAB during the year. The Fund will engage as appropriate.		
<b>Priorities of the Pensions Regulator</b>		

Original Business Plan Objective as agreed by the Pensions Committee July 2020	Update	RAG
<p>The 2019 Governance and Administration survey results are due to be published shortly and will inform tPR priorities for the coming year. Cyber security and data quality are expected to main high-profile areas of interest.</p>	<p>The Pensions Regulator published the <a href="#">results to their 2019 Governance and Administration Survey in November 2020</a>. The survey covers eleven different areas including Annual Benefit Statements, Reporting Breaches, Managing Risk and Cyber Risk. The main items of note were –</p> <ul style="list-style-type: none"> <li>• Most key administration processes were automated to at least some extent with the main barriers to this relating to integration of existing systems, lack of technology and costs.</li> <li>• Schemes had a greater range of cyber risk controls in place than in 2018.</li> <li>• The majority of schemes had completed a data review in the previous 12 months, had identified issues and were taking action to address them.</li> <li>• Scheme complexity and the volume of changes required to comply with legislation were seen as the top barriers to improving scheme governance and administration in the next 12 months. The McCloud judgement was also a major (and new) concern.</li> </ul> <p>The Fund will consider the observations from tPR when drafting its priorities for 2021/22.</p>	

### 3 Risk

3.1 The Committee received a full report when they met in July about the impact of Covid-19 on the Pension Fund. The key risks from the report have been noted below with updated comments.

**Impact on investments and funding level:** The Funding level remains strong (119.9% estimated at 31 December 2020 v 111.6% at 31 March 2019).

**Employers and risks posed to the Fund due to changes in financial covenant:** External advice has been provided on employers considered to be a higher risk to the Fund due to changes in financial covenant as a result of the pandemic. Whilst the Fund is aware of some re-structuring activity by employers these are not considered to present a risk to the Fund. One employer has entered insolvency.

**Impact of death rates emerging:** The case work for the Fund remains in line with prior year trends and there are no spikes or notable impacts for the Fund currently.

**Impact on cashflow:** There is a potential for reduction in employer contributions and investment income, alongside a potential increase in benefit payment. The analysis below compares 2019/20 figures to the forecasted first nine months of 2020/21.

	<b>9 months based on prior year (average for 2019/20)</b>	<b>9 months for current year (01/04/20 to 31/12/20)</b>	<b>Difference</b>	<b>Difference</b>
<b>Income</b>	£'000	£'000	£'000	%
Contributions	-103,562	-105,051	-1,489	1.44%
Property	-12,404	-12,893	-490	3.95%
	<b>-115,966</b>	<b>-117,944</b>	<b>-1,978</b>	<b>1.71%</b>
<b>Expenditure</b>	£'000	£'000	£'000	%
Pension benefits	73,574	75,880	2,306	3.13%
Death benefits	1,941	2,158	217	11.18%
Lump sums	10,416	10,935	519	4.98%
	<b>85,931</b>	<b>88,973</b>	<b>3,042</b>	<b>3.54%</b>
Net Position	<b>-30,035</b>	<b>-28,971</b>	<b>1,064</b>	

**Impact on the administration team:** The administration team continue to fully support business as usual activity and project work.

- 3.2 The latest risk register for the Pension Fund is summarised below with the status previously reported to the Committee included for comparison:

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Risk Theme	Action	October 2020	January 2021
<p>Increased likelihood of employer insolvency/restructuring impacting on the Fund cashflows in via contributions and out via benefits paid/early retirement lump sums and death benefits, resulting in the Fund becoming cash flow negative earlier than expected. Also, risk of employers not being able to meet liabilities at exit.</p>	<p>Communication with employers to ensure they are aware of Deferral of Employer Contributions policy and to invite early discussion with regards to any workforce changes. Communication with ceding employers to understand the impact and support being provided to pass through employers. Implement cashflow monitor and projections and review on a monthly basis. Review employer covenant and take appropriate action. Liaising with Legal to understand actions following insolvency</p>	<p>● Amber</p>	<p>● Amber</p>
<p>Remote working results in increased governance pressure within the Fund, Council and partner organisations.</p>	<p>Discuss governance arrangements with partner organisations to ensure they meet expectations and requirements. Scheme of delegation under review to ensure fit for purpose in current climate. Impact of restrictions on end of year processes and staff availability being assessed and reviewed.</p>	<p>● Amber</p>	<p>● Amber</p>
<p>Political and/or employer pressure results in change to investment strategy due to ESG factors resulting in the Fund being required to restrict Fund Manager investments and/or the Fund being challenged on fiduciary duty.</p>	<p>Ensure active engagement by Fund Managers with companies in all areas. Regular dialogue with Fund Managers regarding reasoning behind the stock being held. Keep up to date with Scheme Advisory Board and Government guidance. Engagement with employers to inform them of the Fund approach to Environmental, Social and Governance matters and Responsible Investment and to enable them to respond to any queries. Updated ISS to reflect RI strategy. Consultation with members and employers to get feedback on the Investment Strategy Statement.</p>	<p>● Amber</p>	<p>● Amber</p>
<p>Insufficient funds to meet liabilities resulting in increased contributions required from employers or changing to a higher risk investment strategy</p>	<p>Prudent assumptions adopted by the Fund Actuary. Monitor, maintain and review the Investment Strategy Statement and Funding Strategy Statement. Regularly review investment performance and funding levels. Monitor and review the cash flow of the Fund.</p>	<p>● Green</p>	<p>● Green</p>

<b>Risk Theme</b>	<b>Action</b>	<b>October 2020</b>	<b>January 2021</b>
Insufficient resources to comply with the Administering Authority's Regulatory responsibilities.	Develop and monitor Business Plan on a regular basis. Ensure service contracts are clearly specified and obligations met. Implement appropriate remote working to ensure business continuity and review third party business continuity plans.	● Amber	● Amber
Poor quality data resulting in error and misstatement.	Implement and monitor the Data Improvement Plan to completion. Work proactively with administration team and employers as part of the end of year process. Maintain robust accounting records. Data improvement plan largely completed.	● Amber	● Amber
Officer, Committee and Board knowledge and understanding resulting in poor decision making and disengagement on key issues.	Develop, implement and monitor a Training Strategy. Work with external organisations to understand how training is going to be delivered in current circumstances and communicate with Committee and Board members. Training strategy under review to ensure fit for purpose. Training plan for the year to be included in 2021/22 Business Plan	● Green	● Green
The introduction of asset pooling impacts on the Fund's ability to implement its investment strategy successfully or the Administering Authority is considered to not comply with the relevant statutory guidance.	Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level. Working closely with the Access Support Unit and Operator in respect of future requirements.	● Amber	● Amber
Failure to secure value for money through managing contracts with third parties	Strong contract management. Compliance with procurement requirement and standing orders for provision of services to the Fund.	● Green	● Green
Political environment (locally or nationally) impact on investment markets and legislative requirements.	Work closely with investment managers, other suppliers and advisers to understand potential impacts and responses. Implement and monitor the Training Strategy.	● Green	● Amber
Conflict of interest for members and employers	Clearly defined roles and responsibilities for those working for the Pension Fund. Maintenance of Conflict of Interest policy and register by the County Council.	● Green	● Green

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<b>Risk Theme</b>	<b>Action</b>	<b>October 2020</b>	<b>January 2021</b>
Increase in variety and number of employers participating in the Scheme resulting in risk of non-compliance with obligations.	Clear Admission Agreements in place. Guidance published and reviewed relating to the Scheme requirements. Proactive engagement with employers. Development of employer risk framework to monitor and take steps to mitigate risk presented to the Fund in respect of participating employer liabilities.	● Amber	● Amber
Cyber crime resulting in personal data for members being accessed fraudulently.	Strong IT environment for administration system and web-based Portals. Officers are taking appropriate advice in considering how risk can be managed/mitigated.	● Amber	● Amber
<i>Fund not able to implement changes required as a result of McCloud judgement due to insufficient resources or incomplete information held by employers</i>	The Fund has contacted all employers to update them on the information required and timescales for the McCloud data capture and is engaged with the administration software providers on the changes required to support the project. A project plan and project manager has been put in place by the administration team and recruitment is underway to ensure that the team are sufficiently resourced. The team continue to engage with the LGA and SAB to keep up to date with developments and best practice guidance.		● Amber (NEW)

**4 Consultation, engagement and advice**

N/A

**5 Finance**

N/A

**6 Risk implications and mitigations**

N/A

**7 Policy alignment and compliance**

N/A

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**Appendices**

None

**Background papers**

None

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## Report to Pensions Committee

25 January 2021

### Administration Performance

### Report by Director of Finance and Support Services

Electoral division(s): N/A

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#### Summary

Pension Administration services have been provided by Hampshire County Council since 4 March 2019. 100% compliance with the key performance indicators has continued. The Data Improvement Plan continues to be worked through with an expected completion date for a substantial number of items identified following the transfer of administration services of 31 March 2021.

#### Recommendations

- (1) The update is noted.
- 

#### Proposal

##### 1 Background and context

- 1.1 Hampshire County Council provides the Pension Administration Service for West Sussex County Council. The administration team are based in Winchester and the County Council work closely with Hampshire County Council as our Pension Administration Partner.
- 1.2 The Pensions Committee has a key objective within its Business Plan to deliver a high-quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time.
- 1.3 At 31 December 2020 the Scheme had 80,144 members as analysed below.

	<b>30/09</b>	<b>31/12</b>	<b>Movement</b>
<b>Active</b>	27,492	26,792	-2.55% (700)
<b>Deferred</b>	30,419	31,211	+2.60% (792)
<b>Pensioners</b>	21,964	22,141	+0.81% (177)
<b>Total</b>	<b>79,875</b>	<b>80,144</b>	<b>+0.34% (269)</b>

## 2 Administration Performance

### Business as Usual Activity

- 2.1 The Pension Committee have agreed an Administration Strategy which sets out performance expectations for employers and the Administering Authority. The current Authority's performance against service standards for key processes are summarised below and shown in detail in Appendix 1. With some exceptions the expectation is that most cases work is completed within 15 working days of receipt of accurate details.

<b>Case Type</b>	<b>Quarter Total Cases</b>	<b>Quarter Completed on Time (%)</b>	<b>12 Month Total Cases</b>	<b>12 Month Completed on Time (%)</b>
<b>Active Retirement</b>	129	100%	382	100%
<b>Deferred Retirement</b>	158	100%	660	100%
<b>Estimates</b>	235	100%	1,049	100%
<b>Deferred Benefits</b>	724	100%	3,036	100%
<b>Transfers In/Out</b>	34	100%	162	100%
<b>Divorce</b>	37	100%	150	100%
<b>Refunds</b>	150	100%	622	100%
<b>Rejoiners</b>	71	100%	303	100%
<b>Interfunds</b>	76	100%	344	100%
<b>Death Benefits</b>	139	100%	556	100%
<b>Total</b>	<b>1,753</b>		<b>7,264</b>	

- 2.2 For the last 12 months, the Pensions Team have been performing at 100% in all areas.

### Annual Benefit Statements

- 2.3 The Committee have previously been advised that as at the 31 August statutory deadline, 99.9% of deferred Annual Benefit Statements and 95.1% of active Annual Benefit Statements had been published. In the period to 31 December 2020 a further 774 were published (meaning that 99.94% of deferred statements and 97.79% of active statements have been published).

### Employer Performance

- 2.4 As part of the efforts to drive good data improvements, the administration team review Employer Performance for timeliness, financial control and data quality as part of the Annual Return process. Analysis for the 31 March 2020 end of year was provided to the Committee in October 2020 and the Committee were advised that the Director of Finance and Support Services would be writing to 61 employers to request that they reconcile the data held by the administration team with their own records to highlight any potential issues prior to the 2020/21 End of Year work being undertaken. To date 18 employers have completed this exercise.

## 3 Breach Reporting

- 3.1 There are a number of regulatory requirements within the Local Government Pension Scheme (LGPS) for which there is a statutory duty to report to the Pensions Regulator if a material breach occurs.

- 3.2 Since the Committee met in October there has been four low risk data breaches reported, which has been logged through the County Council’s IT Security Incident Report. The breaches were caused by a member’s birth and marriage certificate being returned with a different members documents and retirement options, a new starter letter and dependents letter being sent to the incorrect postal/email address. The cause of each incident has been investigated.
- 3.3 Since the Committee met in October the breach with regards to the production of annual benefit statements has been investigated and is being considered by the Director of Finance and Support Services. In line with the Pension Fund’s Breaches Policy this considers the cause, effect, response and wider implications of the breach. If the breach is of material significance the Pensions Regulator will be informed, and the Committee will be updated.

**4 Contribution Receipt**

- 4.1 All LGPS Contributions are expected to be received by the Fund on the 22<sup>nd</sup> of each month. The majority of employers have adhered to this requirement and a clear escalation procedure has been followed where an employer has consistently made late payment. The contribution monitor is available at Appendix 2.

**5 Scheme Changes**

- 5.1 A report on wider Scheme Changes has been included elsewhere on this agenda.
- 5.2 In addition, revised Government Actuary’s Department (GAD) guidance has been produced for transfer-ins to accompany the GAD factors that were implemented from 1 November 2020.

**6 The Pension Regulator (tPR) Scheme Return**

- 6.1 It is a Statutory requirement that a return is provided to the Pensions Regulator by each Local Government Pension Scheme. The return provides details of the Scheme, Pension Board members, membership numbers and common and conditional (Scheme specific) data scoring. This was submitted on 16 December 2020.
- 6.2 Data scores are summarised below. A copy of the Scheme Return is available to from officers.

<b>Data</b>	<b>Context</b>	<b>West Sussex</b>
<b>Common (2020)</b>	Basic member information such as name, date of birth, address.	95%
<b>Common (2019)</b>		95%
<b>Conditional (2020)</b>	Scheme specific such as pay details, CARE pots.	90%
<b>Conditional (2019)</b>		89%

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- 6.3 The Fund is in the process of completing an address trace for members who are showing as a 'lost contact'. Once completed this should improve the common data score.
- 6.4 Data Improvement work to date has been focused on setting up new starters, processing leavers etc. Whilst this will not initially impact the common or conditional data score (i.e. the same member information is shown but they are now categorised correctly), it is an important step for the Fund to then develop a strategy for further improvements on an exceptions basis. This should then improve the conditional data score.

### **7 The Pension Regulator – Pledge to combat Pension Scams**

- 7.1 An area of focus from the Pensions Regulator, particularly during the pandemic, has been on pension scams. The Regulator is now asking all pension providers to pledge that they will do what they can to protect member benefits and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice. This would entail the Fund:
- regularly warning members of the risk of scams;
  - encouraging those requesting cash drawdown to call The Pensions Advisory Service for free, impartial guidance;
  - learning the warning signs of a scam and best practice for transfers by completing the new Trustee Toolkit module;
  - taking appropriate due diligence measures and document pension transfer procedures;
  - clearly communicating concerns to members if high-risk transfers must be made;
  - reporting concerns about a scam to the authorities and communicate this with the member;
- 7.3 It is considered that the Fund already has in places processes and practices which support the above, but officers are working to ensure that it can self-certify its compliance with the pledge.

### **8 Member Portal Access**

- 8.1 LGPS members can register for a pensions account on the member portal so that they can see their annual benefit statements online, as well as access and update their personal details. Pensioner members can view their payslips and P60s. It is now mandatory for an employer to provide an email address for all new joiners as part of the new starter notification process. The member portal is also promoted in all deferred and retirement letters and was promoted as part of the Annual Benefit Statement process.
- 8.2 Since the Committee met in October there has been a 2.45% increase in registrations. Current registrations have been tabulated below:

	<b>Number</b>	<b>% of population</b>
<b>Active</b>	12,052	44.98%
<b>Deferred</b>	5,929	19%
<b>Pensioner</b>	2,065	9.32%
<b>Total</b>	20,046	25.01%

**9 Other options considered (and reasons for not proposing)**

N/A

**10 Consultation, engagement and advice**

N/A

**11 Finance**

The Pension Fund has financed the data improvement plan being completed by the administration team and has funded additional work in relation to specific employer work to bring the records up to date.

**12 Risk implications and mitigations**

The following risks from the Pension Fund's risk register are considered relevant in the context of this report:

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Poor quality data resulting in error and misstatement.	Implement and monitor the Data Improvement Plan to completion. Work proactively with administration team and employers as part of the end of year process.
Increase in variety and number of employers participating in the Scheme resulting in risk of non-compliance with obligations.	Proactive engagement with employers.
Cybercrime resulting in personal data for members being accessed fraudulently.	Strong IT environment for administration system and web-based Portals.

**13 Policy alignment and compliance**

The Pensions Committee has an overarching objective to deliver a high quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time, clear communication and robust accounting and reports.

Katharine Eberhart

**Director of Finance and Support Services**

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**Appendices**

Appendix 1 - Administration Performance Previous 12 Months (1 January 2020 to 31 December 2020)

Appendix 2 – Contribution Receipts Previous 12 Months (1 December 2019 to 30 November 2020)

**Background papers**

None

## Appendix 1 - Administration Performance Previous 12 Months (1 January 2020 to 31 December 2020)

The table below shows performance against the relevant targets. The casework reported does not include periodic tasks (such as the triennial valuation, publication of the Annual Benefit Statements, End of Year processes or notification of changes to Regulations) response times to enquiries made by members (which has a five working day expectation) and work in progress

	Q4 2019/20	Q4 2019/20	Q1 2020/21	Q1 2020/21	Q2 2020/21	Q2 2020/21	Q3 2020/21	Q3 2020/21	12 Month	12 Month
	No on time	% on time	No on time	% on time	No on time	% on time	No on time	% on time	No on time	% on time
<b>Active Retirement</b>	95	100.0%	85	100.0%	73	100%	129	100%	<b>382</b>	100%
<b>Deferred Retirement</b>	144	100.0%	198	100.0%	160	100%	158	100%	<b>660</b>	100%
<b>Estimates</b>	326	100.0%	209	100.0%	279	100%	235	100%	<b>1,049</b>	100%
<b>Deferred Benefits</b>	798	100.0%	594	100.0%	920	100%	724	100%	<b>3,036</b>	100%
<b>Transfers in / out</b>	73	100.0%	24	100.0%	31	100%	34	100%	<b>162</b>	100%
<b>Divorce</b>	40	100.0%	32	100.0%	41	100%	37	100%	<b>150</b>	100%
<b>Refunds</b>	199	100.0%	138	100.0%	135	100%	150	100%	<b>622</b>	100%
<b>Rejoiners</b>	63	100.0%	107	100.0%	62	100%	71	100%	<b>303</b>	100%
<b>Interfunds</b>	131	100.0%	81	100.0%	56	100%	76	100%	<b>344</b>	100%
<b>Death Benefits</b>	129	100.0%	145	100.0%	143	100%	139	100%	<b>556</b>	100%
<b>Total</b>	<b>1,998</b>		<b>1,613</b>		<b>1,900</b>		<b>1,753</b>		<b>7,264</b>	

The table below shows work in progress as at 31 December 2020. The day count reflects the time from date of receipt of the initiating request. Therefore it includes time whilst cases are on hold with the administration team pending further information. The casework reported does not include work being work on under the historic leavers and interfunds project, which forms part of the data improvement plan.

	Cases in progress 0-5 days from receipt	Cases in progress 6-10 days from receipt	Cases in progress 11-15 days from receipt	Cases in progress 16-20 days from receipt	Cases in progress 21-30 days from receipt	Cases in progress 31 + days from receipt	<b>Cases in progress Total</b>
<b>Active Retirement</b>	7	13	2	1	0	0	<b>23</b>
<b>Deferred Retirement</b>	12	10	7	1	0	0	<b>30</b>
<b>Estimates</b>	25	39	15	7	9	4	<b>99</b>
<b>Deferred Benefits</b>	27	77	95	45	70	0	<b>314</b>
<b>Transfers in / out</b>	0	0	4	2	2	5	<b>13</b>
<b>Divorce</b>	5	3	0	0	0	0	<b>8</b>
<b>Refunds</b>	0	1	0	0	0	0	<b>1</b>
<b>Rejoiners</b>	7	6	1	3	4	1	<b>22</b>
<b>Interfunds</b>	5	7	6	0	3	8	<b>29</b>
<b>Death Benefits</b>	26	4	1	1	0	2	<b>34</b>
<b>Total</b>	<b>114</b>	<b>160</b>	<b>131</b>	<b>60</b>	<b>88</b>	<b>20</b>	<b>573</b>
Total to 30/09/20	257	224	129	98	8	12	<b>728</b>



## Appendix 2 – Contribution Receipts Previous 12 Months (1 December 2019 to 30 November 2020)

The table below shows Scheme Employer performance in respect of their statutory responsibilities to paying their contributions to the Fund.

It should be noted:

- One employer was reported as late in both August and September, but contributions have now been received.
- Whilst there were late payments recorded in March, April, May, June, July, August, September and October 2020 the late payments relate to different employers.

	Dec	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	12 Mth
<b>Late</b>	0	1	0	2	4	1	1	1	1	2	2	0	1
<b>On time</b>	199	199	198	196	193	196	196	190	193	192	194	195	195
<b>% Late of Active Employers</b>	0.0%	0.5%	0.0%	1.0%	2.0%	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%	0.0%	0.64%
<b>Average Days Late</b>	0	2	0	25	19.25	8	79	12	31	11.5	9	0	16
<b>Total Amount Overdue (£)</b>	0	5,165	0	15,278	35,927	651	5,195	2,024	1,054	1,627	72,132	0	11,588
<b>% Late of total contributions</b>	0.0%	0.05%	0.0%	0.14%	0.33%	0.0%	0.5%	0.2%	0.0%	0.01%	0.58%	0.0%	0.14%

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## **Pension Advisory Board**

**26 February 2021**

### **Regulations and Governance Update**

#### **Report by the Chairman of the Pension Advisory Board**

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#### **Summary**

Members of the Pension Advisory Board (PAB) are required to maintain a suitable level of knowledge and understanding in relation to the Scheme Regulations and Guidance and should maintain their awareness of developments in the regulatory framework. This report provides a brief update on issues covered by the LGPC bulletins, by the Scheme Advisory Board at its meetings, by the Pensions Regulator, and other guidance.

#### **Recommendations**

The Board is asked to note the current issues relating to Scheme Regulations and Governance.

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#### **Proposal**

##### **1. Background and context**

- 1.1 The Board receives updates on regulatory changes at each meeting but has decided that access to the websites for the LGPS, the Scheme Advisory Board (SAB), and the Pensions Regulator (tPR) provides an additional and valuable source of information on the LGPS regulations and guidance, and to changes under consideration or consultation.
- 1.2 Reviewing current developments not only improves knowledge and understanding but also enables the Board to keep pace with these developments as they are considered by the officers and reported to the Pensions Committee.

##### **2. LGPS Bulletins and regulations**

- 2.1 Bulletins issued by the LGPC since the last meeting are:

**December Bulletin 204** including GAD guidance on the exit cap and SAB guidance on new employer flexibilities.

**January Bulletin 205** (email notice circulated at time of issue) including information about the exit cap and associated judicial reviews.

## Agenda Item 10

- 2.2 Full details of these are available on the LGPC website ([www.lgpsregs.org](http://www.lgpsregs.org)) under "LGPC Bulletins". Other changes or potential changes to the regulations are addressed in the Administration report – Item 10 on the agenda.

### 3. Scheme Advisory Board meetings

- 3.1 A meeting of the SAB was held (virtually) on 8 February but the reported outcome of their discussions will not be available in time for this meeting. The papers for the meetings and recent committee meetings are available on their website ([www.lgpsboard.org](http://www.lgpsboard.org)) and include references to these key issues:

**McCloud and £95k cap** – SAB are advised that a Ministerial statement on the LGPS remedy for McCloud is awaited, and that work on regulations and guidance for the £95K cap is on hold pending the outcome of the judicial reviews. There is further information on Scheme changes in the report to the Pensions Committee attached as Appendix A to this report.

However, since the SAB and Pensions Committee met, in a statement published by the Treasury on 12 February, it was announced that the £95k cap should be treated as if it never applied: citing potential "unintended consequences". HMT Directions have been published that disapply the Cap until the Regulations have been revoked. Officers and advisers are considering the further implications of this.

**Good Governance Project** – Draft implementation advice and documentation on key performance indicators, senior officer role, new Governance Compliance Statement, and the proposed independent governance review/audit process is scheduled to be consider but papers were not available on the website. Whatever SAB decide on this, it seems unlikely, given the need to draft regulations and consult, that any changes will emerge before the summer.

**Responsible Investment Guidance** – SAB has appointed a web designer to build the online A to Z guidance and is considering membership of the Responsible Investment Advisory Group (RIAG) to act as both an editorial board for future editions and as advisers to SAB on responsible investment.

**Pensions Schemes Bill** – Some aspects are expected to be applied to LGPS, as yet to be determined. These could involve climate-related financial disclosures, pensions dashboard, and funding requirements.

### 4. The Pensions Regulator

- 4.1 There are no further updates on the tPR website regarding changes to Code of Practice 14, or their e-training facilities.

- 4.2 The results of their annual governance and administration survey were issued at the end of November last year and some details of this are included in the report to the Pensions Committee (25/01/21 – Agenda Item 7 Business Plan Update) which attached to Item 8 on this agenda.
- 4.3 The 2020 survey has been issued and a response has been submitted on behalf of West Sussex.

**5. Other options considered (and reasons for not proposing)**

N/A

**6. Consultation, engagement and advice**

N/A

**7. Finance**

N/A

**8. Risk implications and mitigations**

- 8.1 ***Failure of Board members to maintain a suitable level of knowledge and understanding*** – By having this report as a standing item for each Board meeting, members are kept abreast of developments.
- 8.2 ***New training requirements imposed on the Board in relation to compliance testing*** – monitoring new developments in this way should identify potential new requirements at an early stage.

**9. Policy alignment and compliance**

- 9.1 Integral part of agreed training strategy.

**Peter Scales**

Chairman of the Pension Advisory Board

**Contact Officer:**

Adam Chisnall, Democratic Services Officer,  
033022 28314 [adam.chisnall@westsussex.gov.uk](mailto:adam.chisnall@westsussex.gov.uk)

**Appendices**

Appendix A - Pensions Committee report on Scheme Changes (25/01/21)

**Background papers**

None

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**Report to Pensions Committee****25 January 2021****Scheme Changes****Report by Director of Finance and Support Services****Electoral division(s): N/A**

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**Summary**

The report includes a summary of significant developments that impact the Fund.

The Restriction of Public Sector Exit Payments Regulations 2020 will, through primary and secondary legislation, put in place an overall cap on the value of public sector exit payments at £95k. However due to amendments to the LGPS Regulations running to a later timetable to the primary legislation the Fund has needed to take advice on the appropriate steps required when a member is eligible for a redundancy package.

The McCloud judgement was determined in summer 2019 and the Government published a consultation on the remedy in July 2020. The Fund now needs to put in place procedures to ensure it complies with the amended Regulations introduced to comply with the judgement. The potential workload on the pension's administration team is summarised below. As a result of the McCloud judgement, the previously paused cost mechanism is now commenced with a proposed completion date in 2021.

The report also provides an update on:

- The Goodwin case whereby an Employment Tribunal has determined aspects of the Teachers' Pension Scheme (and therefore potentially affects the LGPS) are discriminatory on the grounds of sexual orientation.
- Further changes to the LGPS Regulations in relation to the ability for employer contributions to be reviewed between formal valuations, to agree payment plans when employers have an exit debt and the introduction of a deferred employer status – whereby an employer continues to contribute to the Scheme even after their last active leaves, rather than being considered an exiting employer.

**Recommendations**

- (1) The update, including the impact on the pension's administration team and the actuary to process the outcome of these scheme changes and the risks presented to the Administering Authority in respect of the restriction of Public Sector exit payments, is noted by the Committee.
  - (2) The completion of the Funding Strategy Statement consultation is noted by the Committee.
-

## **Proposal**

### **1 Background and context**

- 1.1 The benefit structure of the LGPS is set nationally. In April 2014, a series of changes were made to the Scheme to reform the benefits structure. These changes were implemented as part of a wider project across Government to reform public service pensions and put them on a more sustainable, affordable and fairer footing for the longer term. Some protections introduced as part of the reformed benefit structure have since been challenged on the grounds of age discrimination (the McCloud judgement), and a resultant pause was placed on the cost control mechanism introduced to determine how the McCloud judgement should be allowed for within the mechanism.
- 1.2 Separately the Government has introduced changes to limit exit packages from the public sector to £95,000
- 1.3 The Government has also faced further challenge about discriminatory provisions within public sector Schemes (Goodwin) and provided a further partial response on its May 2019 consultation on changes to the local valuation cycle and management of employer risk.

### **2 Rectification as a result of the McCloud judgement**

- 2.1 As reported to the Committee in October 2020, the Supreme Court had rejected the Government's appeal against a ruling in June 2019, which found that the transitional protection introduced to the firefighters' and judges' pension schemes in 2015 amounted to age discrimination for younger workers. MHCLG [set out proposals](#) to remove the unlawful age discrimination identified in the McCloud judgment from the Local Government Pension Scheme and the County Council responded to the Consultation in line with the 8 October 2020 deadline. It is understood that a response from Government is expected immanently.

#### Potential scope of the administrative work required

- 2.2 The significance and challenges these changes present to administering authorities and to employers was noted by the Committee when it met in October 2020 with over 16,000 member records in scope for review as a result of the revised underpin.
- 2.3 To update the Committee, the administration team [wrote to all employers](#) of the data required to be provided to allow the Fund to comply with the legislative changes to calculate the final salary underpin. Employers were asked to acknowledge receipt of the information by 31 December 2020 and raise any concerns in being able to comply with the request. The deadline for completing the (national) data template is 31 March 2021.
- 2.4 Additional resources required to review and rectify member records will be chargeable to the Pension Fund.
- 2.5 The Fund Actuary does not expect the McCloud remedy to have a significant impact on liabilities or contributions rates for most employers.



### **3 Exit Payments in Local Government (£95k Cap)**

- 3.1 In 2015 the Government first announced its proposals to prohibit six-figure exit packages from the public sector, by imposing a £95,000 cap on such packages.
- 3.1 The Committee received an update when it met in October 2020 on the Restriction of Public Sector Exit Payment Regulations 2020 primary legislation (the Cap Regulations) which was brought into effect on 4 November 2020 and places an overall cap on the value of public sector exit payments at £95k. This applies to all public sector employees in the LGPS (and the unfunded public sector schemes). At the same meeting, the Committee were advised that secondary legislation for the LGPS was out for [consultation by MHCLG](#), with a closing date of 9 November 2020. Therefore, the flexibilities for members to manage the £95k cap (and amendments to the compensation regulations which will impact on all LGPS members) would lag the primary legislative changes. As a result, there is a period of conflict between:
- Regulation 30(7) of the Local Government Pension Scheme Regulations (LGPS) 2013, which (broadly) entitles an active member who is made redundant on or after the age of 55 to an immediate, unreduced early retirement pension; and
  - the Cap Regulations, which restrict the overall value of exit payments to public sector employees to £95,000.
- 3.2 It is considered unlikely that the amendments to the LGPS Regulations will be in force before June 2021 and this timing difference has created a period of uncertainty for employees at risk of redundancy and for employers in understanding the costs.
- 3.3 A High Court judge has given LLG (Lawyers in Local Government) and ALACE (the Association of Local Authority Chief Executives and Senior Managers) permission to bring a judicial review challenge over the Cap Regulations. To date, the Actuary is aware of six potential judicial review challenges including that raised by LLG and ALACE. The reviews are expected in March.

#### Guidance

- 3.4 The Minister for Regional Growth and Local Government wrote to the Chief Executives of Councils and LGPS administering authorities on 28 October to set out the view of the Ministry of Housing, Communities and Local Government (MHCLG). The key message was that the Government considered that the Cap Regulations effectively curtail the use of LGPS Regulation 30(7) to pay an immediate unreduced pension, when the exit payment cap is breached. Therefore, a member whose overall exit payment exceeds £95,000 should only receive an immediate, fully reduced, pension under LGPS Regulation 30(5) or a deferred pension, plus a cash alternative payable by the employer under regulation 8 of the Exit Payment Regulations.
- 3.5 The LGPS Scheme Advisory Board (SAB) also issued updates to administering authorities on this matter, including following receipt of advice from Leading Counsel. The SAB recommends that for employers covered by the Exit Payments Regulations, and where the member is over 55, made redundant or retired through business efficiency and their overall exit payment exceeds £95,000, the administering authority should:

## Agenda Item 10

### Appendix A

- offer a deferred pension; or
- pay the member a fully reduced early retirement pension.

#### Legal Advice

3.6 The Fund has collaborated with the ten other ACCESS Authorities to commission legal advice on the matter. This was received on 20 November 2020.

3.7 The legal advice concludes that

*There is presently a direct conflict between Regulation 30(7) and the Cap Regulations, where the strain cost for an individual member would result in the aggregate exit payment exceeding the Capped Amount. Although the Government has stated it considers the Cap Regulations take precedence over the LGPS Regulations, there is no obvious justification for that argument from a legal perspective. The LGPS Regulations are expected to be amended in 2021 to resolve the position but, in the meantime, there is no risk-free approach that Administering Authorities can follow in these circumstances.*

3.8 The legal advice sets out there is no risk-free approach that Administering Authorities can take but on the balance of risks it was agreed by the Director of Finance and Support Services that the Fund should:

- a. Ask employers to explore whether proposed redundancy or business efficiency cases can be delayed until the LGPS Regulations are brought into force.
- b. Adopt the SAB's recommended approach where the cap is exceeded and
  - i. Pay a member a fully reduced early retirement pension (based on factors including the members age); or
  - ii. offer a deferred pension; and
  - iii. request that the scheme employer refrains at this point from paying a cash payment to the member equivalent to the capped strain cost.

#### Calculation of Strain

3.9 Administering Authorities are currently entitled to claim additional contributions from scheme employers where an unreduced early retirement pension is paid on redundancy or business efficiency. Any payment made to the Fund to meet the additional cost of paying a member's pension early constitutes part of the exit payment under the Cap Regulations.

3.10 The Fund's factors were set by the Actuary based on his local valuation assumptions. In the current circumstances this presents a risk of challenge on the grounds of strain costs differing between Administering Authorities and between GAD factors and local factors – which could impact on member benefits.

3.11 The Fund has now adopted a spreadsheet calculator using the Government Actuaries Department (GAD) factors for early retirement strain cost calculations for all employers, including those out of scope for the Cap Regulations.

### Communication

- 3.12 Information has been [included on the website](#) to update members on the changes.
- 3.13 Employers received an email from the Fund on 5 November 2020 announcing the suspension of early retirement estimates and a further update on 4 December 2020 advising that early retirement estimates could now be provided.

## **4 Unpausing of the Cost Mechanism**

- 4.1 The Committee were advised in October 2020 that work on the cost control mechanism (introduced to protect the taxpayer from unforeseen increases in scheme costs) has been restarted following a pause whilst the remedy to address the unlawful discrimination by the court (McCloud) was determined.
- 4.2 No timetable has been set for completing this process. At present this is being kept under review but there is no immediate action.
- 4.3 Separately the Government has signalled its intention to review the cost cap mechanism (in totality) following the current review.

## **5 Discrimination on the grounds of sexual orientation (Goodwin)**

- 5.1 The Committee were also advised in October 2020 that a tribunal had found that some survivor benefits were less favourable, dependent on whether they were payable to a male spouse of a female member or a female spouse of a female member (the Goodwin case).
- 5.2 This only impacts the male survivor pensions of female members with pre-1988 service who die after 2005. It remains unclear if the Government intend to challenge this ruling and to date, there are no draft regulations or consultation on how to rectify impacted members. It is anticipated that there will be a very small overall impact on liabilities. At present this is being kept under review but there is no immediate action.

## **6 Further changes to the LGPS Regulations - Employer Flexibilities**

- 6.1 Following MHCLG's [new Regulations](#) on employer flexibilities which will come into force from 23 September 2020 the Committee agreed amendments to its Funding Strategy Statement in relation to the ability to review contribution rates between formal valuations, the power to agree payment plans when employers have exit debts and the introduction of deferred employer status. Other options considered (and reasons for not proposing).
- 6.2 The changes were subject to consultation with employers between 26 October 2020 and 7 December 2020. There were no substantive comments to require amendments to the Strategy and it will therefore be published.

## **7 Consultation, engagement and advice**

The County Council receives advice from its actuarial advisers, Hymans Robertson, SPB in relation to Exit Payments, the Local Government Association and Scheme Advisory Board in relation to Scheme matters.

## 8 Finance

The Pension Fund will be required to cover additional resourcing costs associated with the changes set out above, not limited to the McCloud rectification work. The impact will be discussed with the administration team.

## 9 Risk implications and mitigations

The following risks from the Pension Fund’s risk register are considered relevant in the context of this report:

Risk	Mitigating Action (in place or planned)
Insufficient resources to comply with the Administering Authority’s Regulatory responsibilities.	Work closely with the administration team on the response to the Scheme changes and the resource impact.
Insufficient guidance or Regulations to support the Administering Authority’s statutory duties.	Legal advice has been sought but this sets out there is no risk-free approach that Administering Authorities can take.
Risk of challenge by a member / complaint to the Pension Ombudsman.	It is anticipated that clarity on the approach Administering Authorities should take will only come following legal challenge. It is possible that West Sussex are one of the Administering Authorities subject to legal challenge due to the approach taken.
The adoption of the GAD factors for all early retirement strain costs calculations presents a risk of ‘under charging’ employers for early retirement costs, which will present as a cost at the next valuation.	Position to be kept under review but considered low risk and most likely to impact smaller or short-term employers.

## 10 Policy alignment and compliance

The Business Plan includes the objective to implement Scheme changes and consider, respond to and communicate with stakeholders on relevant matters.

Katharine Eberhart  
**Director of Finance and Support Services**

**Contact Officer:** Rachel Wood, Pension Fund Strategist, 0330 222 3387,  
rachel.wood@westsussex.gov.uk

**Appendices**

N/A

**Background papers**

N/A

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**Key decision: N/A  
Unrestricted**

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## **Report to Pension Advisory Board**

**26 February 2021**

### **Communication Strategy**

#### **Report by Director of Finance and Support Services**

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### **Summary**

The terms of reference for the Pension Advisory Board includes consideration of the effectiveness of communication with employers and members including the Communication Strategy as part of the Pension Advisory Board's functions.

### **Recommendations**

- (1) That the Board note the schedule of Communications drawn from the Communication Policy Statement
  - (2) That the Board note updates made to the Communication Policy Statement as set out in paragraph 2.2, following the Boards comments
  - (3) That the Board feedback on the Communications presented at the meeting
- 

### **Proposal**

#### **1 Background and context**

- 1.1 The Pension Fund maintains a Communication Policy which reflects:
  - the LGPS Regulatory requirement to maintain a Statement concerning how the Pension Fund communicates with its broad range of stakeholders (members, representatives of members, prospective members and Scheme employers)
  - the Pension Regulator's Code of Practice 14 which refers to necessary communications and their content.
- 1.2 By reviewing communications on a regular basis the Board will be fulfilling their role in considering the effectiveness of communication with employers and members and any future activities, compliance with the Communication Policy Statement, Regulations, Guidance or best practice and assisting with its knowledge and understanding of the Scheme.

## 2 Communication Strategy

- 2.1 The Communication Policy was considered by the Pension Advisory Board at their meeting on 13 November 2020. The review was in respect of providing clarity over the Fund's objectives and how these will be delivered.
- 2.2 The Communication Policy Statement has been reviewed to reflect the [Board's comments at their last meeting](#). The changes are copied below. This relates to the key messages the Fund wishes to deliver by stakeholder:

Stakeholder	Key Message
Taxpayers	<ul style="list-style-type: none"><li>To keep up to date on administration, investment and Fund performance.</li></ul>

No further amendments have been made.

- 2.3 Appendix A describes how the communications referred to within the Communications Policy Statement have been delivered in practice. The relevant communication for the period has been included in Appendix B.

### **Katharine Eberhart** **Director of Finance and Support Services**

**Contact:** Tara Atkins, Principal Pensions Consultant, 0330 222 8787

#### **Appendices**

- Appendix A - Description and Calendar of Communication Deliverables  
Appendix B - Communications for the relevant period

#### **Background papers**

None



Changes since the Board met in November 2020 highlighted

	WSCC's Role	Admin Team Role	Future Activity	How often it should be reviewed	Previous PAB review date	Next date for PAB review
Actuarial Valuation meetings	Agenda and content in line with Fund Actuary.	Attend as required		Triennial	N/A	N/A
Annual General Meeting	Lead	HCC provide an update on performance (HCC and Employer)	Development of agenda	Annual		07/2021
Annual newsletter for pensioners	Feedback on template	Draft template and sign off following WSCC feedback	<b>Full review of format and content for 2022 Pensioner newsletter</b>	Annually (Feb)	<b>02/2021</b>	<b>02/2022</b>
Annual Benefit Statements	Feedback on template	Draft templates and sign off following WSCC feedback	Provide active and deferred benefit statements to all eligible members <b>by 31 August 2021</b>	Annually	09/2020	<b>11/2021</b>
Early retirement scenarios costings as requested	Provide HCC with revised factors when required.	HCC calculate as per normal processes.	On receipt of an authorised Employer Initiated Retirement Form (EIRA).	Ongoing	N/A	N/A
Employer newsletters (Employer Matters)	Feedback on template	Draft template and sign off following WSCC feedback		Quarterly	<b>02/2021</b>	<b>09/2021</b>
Employer workshop sessions	Feedback on proposed content	Draft content and sign off.	Development of biannual Employer Days	Biannual	[TBC]	[TBC]
Focus group meetings	Feedback on agenda.	Draft agenda and content		<b>Biannual</b>	<b>02/2021</b>	<b>09/2021</b>
Latest news updates (specific topics, changes to the regulations)	Sign off of content when comms specific to West Sussex.	Website updates. West Sussex specific communications would be drafted, and template shared for feedback/sign off.	Monthly Correspondence Meeting	Ongoing	<b>02/2021</b>	<b>04/2021</b>
Payslips (where their pension varies by £5).	Feedback on changes to content, when applicable.	Template based on HCC's existing version – changes will be made where necessary. Payslip production following monthly pensions payroll.	<b>Provide electronic payslips and P60's as a default, from June 2021, unless pensioner member opts out and elects for a hardcopy.</b>	Ongoing		
Pensions Savings Statements	Feedback on template	Draft templates and sign off	Provide pensions savings statement to members who have exceeded annual allowance by <b>the Statutory deadline.</b>	Annually	11/2020	11/2021
Portal (Member and Employer)	Feedback on content/messages displayed	Maintain and update functionality / content as necessary.	<b>Update/Amendments to functionality of Member Portal.</b>  <b>Initial roll out to key employers of the Employer Hub by March 2021. Full roll out to remaining Employers by August 2021.</b>	Ongoing	N/A	N/A
Pre-Retirement course	Learning and Development run the pre-retirement course, this is advertised on their pages.	N/A		Ongoing	N/A	N/A
Requesting feedback from customers as part of the Customer Services Excellence accreditation.		HCC request from relevant parties including via email signature, training surveys sent to employer training attendees and complaints/compliments reporting	Training surveys Reporting of complaints and compliments	Ongoing		<b>04/2021</b>

	<b>WSCC's Role</b>	<b>Admin Team Role</b>	<b>Future Activity</b>	<b>How often it should be reviewed</b>	<b>Previous PAB review date</b>	<b>Next date for PAB review</b>
Stop Press publications	Feedback/sign off if West Sussex specific.	For LG wide - draft content and make WSCC aware of stop press. For West Sussex specific – draft content and provide copy for sign off.		Ongoing	<b>02/2021</b>	<b>04/2021</b>
Training for small groups	Propose appropriate sessions	Draft content and sign off		Ongoing	N/A	N/A
Training on provision of end of year member data, including the completion of the appropriate data capture spreadsheet.	Feedback on content	Draft content, provide to WSCC for feedback and sign off.	<b>Employer training sessions to take place in 23 February on IAS19 Reports.</b>  <b>An email was sent to employers on 16 December 2020 and training will be offered in March and April 2021.</b>	Annual	N/A	N/A
Website	Review at least annually and feedback on content on as required basis.	Maintain and review content of website as necessary.	Updated with amendments to regulations/processes.  Review when Annual review feedback provided.	Ongoing	N/A	N/A

## Latest news updates (specific topics, changes to the regulations)

### Stop Press publications

Email 15/01/2021

#### Revocation of £95k Cap

Dear colleague,

The Government announced on Friday 12 February that the £95k cap should be treated as if it never applied:

*'After extensive review of the application of the Cap, the Government has concluded that the Cap may have had unintended consequences and the [2020] Regulations should be revoked. HMT Directions have been published that disapply the Cap until the Regulations have been revoked.'*

<https://www.gov.uk/government/publications/guidance-on-public-sector-exit-payments>

This means that **for exits from 12 February 2021**, an unreduced pension will be paid to a scheme member leaving on redundancy or business efficiency grounds and Scheme employers will be required to pay full strain costs in relation to those unreduced benefits, as per the current LGPS regulations.

HM Treasury has issued [guidance on the Directions](#). The guidance sets out HM Treasury's expectation that employers should pay the additional sums that would be paid had the cap not applied for employees who left between 4 November 2020 and 12 February 2021. However, Hampshire Pensions have not processed any actual redundancies which breached the cap in this period so this information is being included for information only.

Updates now published on Latest News section

- [Employee Contribution Bands](#)
- [Pension Matters Winter 2021](#)
- [Fund Communication December 2020 – Exit Cap information update](#)
- [Employer Focus Group Slides](#)
- [McCloud Employer Data Capture – requirements and guidance](#)
- [McCloud Data Collection Notes – Nov 2020](#)
- [McCloud Q&A's for employers](#)
- [McCloud Data collection template](#)
- [Stop Press December 2020 – LGPS Exit payment reform webinar – for Academies, Police Authorities & Fire & Rescue Authorities.](#)
- [Stop Press November 2020 – LGA Exit Cap information](#)
- [Fund Communication November 2020 – Exit Cap information](#)

### Member news

Three news articles have been published in November, December and January.

- [Bank account information for members living in the EU](#)
- [GMP Indexation](#)
- [Address Tracing](#)

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**Key decision: N/A  
Unrestricted**

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## **Pension Advisory Board**

**26 February 2021**

### **Policy Documents**

#### **Report by Director of Finance and Support Services**

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#### **Summary**

It has been agreed that the Pension Advisory Board review relevant policy documents as part of its ongoing agenda.

#### **Recommendations**

- (1) That the Board note the register of Policy Documents
  - (2) That the Board provide feedback on the policy documents presented at the meeting in respect of their compliance with regulations and guidance.
- 

#### **Proposal**

##### **1 Background and context**

- 1.1 The Pension Regulators Code of Practice 14 requires that

*Pension board members must be conversant with their scheme rules which are primarily found in the scheme regulations and documented administration policies currently in force for their pension scheme.*

- 1.2 By reviewing policy documents on a regular basis the Board will be fulfilling their role in supporting the Scheme Manager by ensuring compliance with regulations. This would also assist members in ensuring they have the relevant knowledge and understanding of the Scheme.

##### **2 Pension Fund policy documents**

- 2.1 The Pension Fund is required by law to keep and maintain a number of policy documents. A list of all Pension Fund Policy Documents is included at Appendix A. It is proposed that as policies are reviewed by officers they will be presented to the Board for review against Regulations or Guidance.
- 2.2 The Governance Compliance Statement was last reviewed by the Board in November 2018 and was scheduled for review at this meeting. However, as reported to the Board previously, the governance framework, including the Regulations and guidance underpinning this statement, are being considered as part of the Scheme Advisory Board's (SAB) Good Governance Review. Progress by the SAB has been delayed by the pandemic, but it is expected that proposals for change will emerge shortly. The existing Governance Compliance Statement

has not changed since last reviewed by the Board and any further review is therefore deferred until the new proposals are known

### **3 Treasury Management Strategy**

- 3.1 The CIPFA "Treasury Management Code of Practice" requires the West Sussex Pension Fund to determine a treasury management strategy on an annual basis regarding the investment of its internally managed cash balances. The strategy includes the "Annual Investment Strategy" (AIS) that is a requirement of the Ministry of Housing, Communities and Local Government's (MHCLG) "Investment Guidance".
- 3.2 The latest Strategy will be considered by the Pension Committee at their next meeting on 17 March 2021.
- 3.3 The Board's role is to review the Strategy in line with the Investment Management Regulations - in respect of restrictions to borrow and maintaining a separate bank account - and the CIPFA guidance (Treasury Management Code of Practice and Cross-Sectoral Guidance Notes).

### **4 Other options considered (and reasons for not proposing)**

N/A

### **5 Consultation, engagement and advice**

N/A

### **6 Finance**

N/A

### **7 Risk implications and mitigations**

N/A

**Katharine Eberhart**  
**Director of Finance and Support Services**

**Contact Officer:** Rachel Wood, Pension Strategist, 033 022 23387

### **Appendices**

- Appendix A - List of Policy Documents
- Appendix B - Extract from CIPFA guidance (Treasury Management Code of Practice and Cross-Sectoral Guidance Notes)
- Appendix C - Treasury Management Strategy

### **Background papers**

None

## Register of Pension Fund Policy Documents

<b>Policy</b>	<b>Regulation</b>	<b>Importance</b>	<b>How often it should be reviewed</b>	<b>Previous PAB review date</b>	<b>Next date for PAB to review</b>
<u>Actuarial valuation</u>	<u>LGPS Regulations 2013 Regulation 62</u>	Statutory required (must have)	Every 3 years		May 2023
<u>Administering Authority Discretions</u>	<u>LGPS Regulations 2013 Regulation 60</u>	Statutory required (must have)	Every 4 years	Apr 2019	TBC but no later Apr 2023
<u>Pension Administration Strategy</u>	<u>LGPS Regulations 2013 Regulation 59</u>	Highly recommended	Every 2 years	Mar 2019	April 2021
<u>Annual Report</u>	<u>LGPS Regulations 2013 Regulation 57</u>	Statutory required (must have)	Annually	Sep 2019	July 2021
<u>Breaches policy</u>	<u>Pensions Act 2004 Regulation 70</u>	Highly recommended	Every 2 years	Nov 2019	Nov 2021
<u>Communications Policy Strategy</u>	<u>LGPS Regulations 2013 Regulation 61</u>	Statutory required (must have)	Annually	Nov 2020	Nov 2021
<u>Conflict of Interest</u>	<u>Public Service Pension Act 2013 Regulation 5(4) and 5(5)</u>	Highly recommended	Every 3 years		Nov 2021
<u>Funding Strategy Statement</u>	<u>LGPS Regulations 2013 Regulation 58</u>	Statutory required (must have)	Every 3 years	Nov 2020	May 2022
<u>Governance Policy and Compliance Statement</u>	<u>LGPS Regulations 2013 Regulation 55</u>	Statutory required (must have)	Annually	Nov 2018	TBC
<u>IDRP (Internal Dispute Resolution Procedure)</u>	<u>The Pension Regulator &amp; Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008</u>	Highly recommended	Every 3 years		Apr 2021
<u>Investment Strategy Statement</u>	<u>LGPS Regulations (Management and Investment of Funds) 2016</u>	Statutory required (must have)	Every 3 years	Nov 2020	Nov 2023

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Appendix A

<b>Policy</b>	<b>Regulation</b>	<b>Importance</b>	<b>How often it should be reviewed</b>	<b>Previous PAB review date</b>	<b>Next date for PAB to review</b>
<u>LGPS Privacy Notice</u>	<u>Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679</u>	Statutory required (must have)	Every 3 years		Apr 2021
<u>Risk Register</u>	<u>The Pensions Regulator Code of Practice no.14</u>	Highly recommended	Annually and as part of Business Plan		Apr 2021



**Extract from CIPFA guidance (Treasury Management Code of Practice and Cross-Sectoral Guidance Notes).**

## SECTION 6

# The treasury management policy statement

CIPFA recommends that an organisation's treasury management policy statement adopts the following forms of words to define the policies and objectives of its treasury management activities:

- 1 This organisation defines its treasury management activities as: The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2 This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 3 This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

**The policy statement should include the organisation's high level policies for borrowing and investments.**

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**DRAFT Treasury Management Strategy (2021/22) for consideration by the Pensions Committee on 17 March 2021.**

**Background**

1. The Pension Fund holds cash as working balances. It operates separate bank accounts, keeping its cash separate from the County Council in accordance with LGPS (Management and Investment of Funds) legislation, and consequently also has a separate treasury management policy to West Sussex County Council. Working balances comprise funds required to pay pensions, to fund private equity, infrastructure and commercial property investments and to pay day-to-day expenses. Surplus balances may be sent to the external fund managers (subject to current Pension Fund policy regarding levels of internally managed cash) for investment in accordance with their approved strategies. A charge will be incurred by the fund for the treasury management service supplied by West Sussex County Council.

**Annual Investment Strategy**

2. Having due regard to the security of principal sums invested and the short term nature of deposits, no financial institution will be eligible to receive deposits for longer than seven days without the explicit approval of the Director of Finance and Support Services in consultation with the Chairman of the Pensions Committee. The administering authority will therefore utilise investments that are designed to offer both high liquidity and high security, with the minimum of formalities. Such investments will be denominated in Sterling and may be deposited with the UK Government, a UK Local Authority (including local authority administered pension funds) or a financial institution with 'high' credit quality (including short-term Money Market Funds).
3. In assessing counterparty creditworthiness, the administering authority will consider credit ratings as provided by Fitch, Moody's and Standard and Poor's. Additionally, the administering authority will consider other indicators when assessing creditworthiness including, credit default swap (CDS) prices, share prices, media coverage and market sentiment. In assessing credit ratings, the Director of Finance and Support Services uses the 'Lowest Common Denominator (LCD)' approach, meaning that it uses the lowest rating of those provided by Fitch, Moody's and Standard & Poor's. The minimum credit rating criteria will be:
  - Short-term minimum: F1(Fitch); P1(Moody's); A1(S&P)
  - Long-term minimum: A-(Fitch); A3(Moody's); A-(S&P)
  - Sovereign minimum (Non-UK): AA+(Fitch); Aa1(Moody's); AA+(S&P)

<b>Counterparty</b>	<b>Minimum short-term credit rating</b>	<b>Minimum long-term credit rating</b>	<b>Monetary limit</b>
Financial Institutions	As Above	As Above	£5m per group
Lloyds Bank plc	As Above	As Above	See Paragraph 4
Money Market Funds (i)	-	AAA	£10m per fund (ii)
Local Authorities	-	-	£5m per Authority
UK Government	-	-	No limit

- (i) Funds that operate under a constant net asset valuation (CNAV) or under a Low Volatility Net Asset Valuation (LVNAV). Funds that operate under a Variable Net Asset Valuation (VNAV) will also be approved when a change from LVNAV is adopted by the fund to allow continual and effective operation in a negative interest rate environment.
- (ii) Exposure limit per fund set to £10m or 0.5% of the fund's net asset size, whichever is lowest.

4. The monetary limit per group will be subject to explicit approval by the Director of Finance and Support Services in consultation with the Chairman of the Pensions Committee and will be continually reviewed in-year. Such approval will relate to the institution rather than the particular investment and will remain in force until revoked. In particular, approval is given to hold cash deposits, including foreign currency (EUR/USD) held within separate bank accounts, in excess of the approved £5m monetary limit with the Pension Fund's main provider of banking services (currently Lloyds Bank Plc).
5. As at **25 January 2021** the current list of approved counterparties that meet the investment criteria and offer instant access deposit accounts are:

Counterparty (i)	Sovereign	ST Credit Ratings	LT Credit Ratings	Maximum time limit
Lloyds Bank Plc	UK	F1/P1/A1	A+/A1/A+	7 days
Handelsbanken Plc	UK	F1+//A1+	AA/AA-	7 days
National Westminster Bank plc	UK	F1/P1/A1	A+/A1/A	7 days
Santander UK Plc	UK	F1/P1/A1	A+/A1/A	7 days
Debt Management Office	UK	-	AA-	7 days
<b>Money Market Funds (GBP)</b>	<b>Domiciled</b>			
Aberdeen Standard	Luxembourg	-	AAA	Overnight
Aviva	Ireland	-	AAA	Overnight
BlackRock	Ireland	-	AAA	Overnight
BNP Paribas	Luxembourg	-	AAA	Overnight
Deutsche	Ireland	-	AAA	Overnight
Federated Investors	UK	-	AAA	Overnight
Goldman Sachs	Ireland	-	AAA	Overnight
Insight	Ireland	-	AAA	Overnight
JP Morgan	Luxembourg	-	AAA	Overnight
Morgan Stanley	Luxembourg	-	AAA	Overnight
State Street	Ireland	-	AAA	Overnight

- (i) The consideration of UK Banks that only offer instant access accounts has reduced the number of approved financial institutions as shown above.

6. The administering authority will run a daily cash flow reconciliation of funds held by the Fund as working balances.

### **Borrowing Strategy**

7. The LGPS (Management and Investment of Funds) Regulations 2016 give a fund's administering authority explicit power to borrow for up to 90 days for the purpose of its pension fund:
- To pay benefits due under the scheme, or
  - To meet investment commitment arising from the implementation of a decision to change the balance between different types of investment

provided that if, at the time of borrowing, the authority reasonably believes that the sum borrowed and interest charged in respect of such sum can be repaid out of its pension fund within 90 days of the date of the borrowing.

8. The West Sussex Pension Fund currently has sufficient cash flow and cash balances not to have to borrow to pay benefits due under the scheme.

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**Training Sessions Delivered at County Hall and External**

	24-Jun-20	02-Sep-20	07-Sep-20	28-Sep-20	01-Oct-20	08-Oct-20	13-Nov-20	19-Nov-20	04-Feb-21
	CIPFA LPB Annual Event	SAB LGPS-Live	AVC Training (Tara Atkins)	CIPFA Introduction to the LGPS	CIPFA LPB Autumn seminar - London	Financial Statements Briefing 2019/20	Hymans - LGPS Update	AON - Cyber Risk in the LGPS	CIPFA - Responsible Investment for the LGPS
	Online	Online	Online	Online	Online	Online	Online	Online	Online
Peter Scales			✓				✓	✓	
Richard Cohen			✓			✓	✓		
Christopher Scanes			✓				✓		
Kim Martin			✓				✓		
Tim Stretton			✓						
Becky Caney			✓	✓		✓	✓	✓	✓
Miranda Kadwell	✓	✓	✓		✓	✓	✓		

Training on policy documents is recorded within the regular policy documents review item as an appendix

**Pension Regulator Toolkit - Module Progress**

	Conflicts of Interest	Managing risk and internal controls	Maintaining accurate member data	Maintaining member contributions	Providing information to members and others	Resolving internal disputes	Reporting breaches of the law
Peter Scales	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Becky Caney	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Richard Cohen	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Miranda Kadwell	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Kim Martin	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Christopher Scanes	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Tim Stretton	Passed	Passed	Passed	Passed	Passed	Passed	Passed



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