

Public Document Pack

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20 April 2021

Pension Advisory Board

A virtual meeting of the Committee will be held at **9.30 am** on **Wednesday, 28 April 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.

Items 1 to 15 in Part I of the agenda will be available to watch via the internet at the address below. Items 16 to 18 in Part II of the agenda contain exempt information, as indicated, and therefore will not be broadcast.

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Tony Kershaw
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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 26 February 2021.

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 meeting of the Pensions Committee on 25 January 2021 and the agenda from the meeting of the Pensions Committee on 17 March 2021. Also included is a note from the Chairman summarising the Pensions Committee webcast from 17 March 2021.

(a) **25 January 2021 - Part I Pensions Committee Minutes** (Pages 13 - 18)

(b) **17 March 2021 - Pensions Committee Agenda** (Pages 19 - 22)

(c) **17 March 2021 - Chairman's webcast summary** (Pages 23 - 24)

7. **Business Plan Update** (Pages 25 - 64)

Report by the Chairman of the Pension Advisory Board.

The Board is asked to note the recommendations in the report.

8. **Administration Performance Update** (Pages 65 - 78)

Report by Director of Finance and Support Services.

The Board is asked to note the recommendations in the report.

9. **Regulations and Guidance update** (Pages 79 - 82)

Report by the Chairman of the Pension Advisory Board.

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

10. **Communication Strategy** (Pages 83 - 88)

Report by Director of Finance and Support Services.

The Board is asked to consider the recommendations within the report.

11. **Investment Strategy Statement Report** (Pages 89 - 108)

The Board is asked to consider the Investment Strategy Statement Report from the 17 March 2021 Pensions Committee by the Director of Finance and Support Services.

12. **Review of Pension Fund Policy Documents** (Pages 109 - 130)

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 131 - 132)

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 Monday 26 July 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 133 - 134)

To confirm the part II minutes of the meeting of the Board held on 26 February 2021.

17. **Pensions Committee Minutes – Part II** (Pages 135 - 140)

The Board is asked to note the confirmed Part II minutes from the meeting of the Pensions Committee on 25 January 2021 (yellow paper).

18. **ACCESS Update** (Pages 141 - 148)

The Board is asked to consider the following report which went to the Pensions Committee on 17 March 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

26 February 2021 – At a virtual meeting of the Pension Advisory Board held at 9.30 am.

Present: Peter Scales (Chairman)

Richard Cohen, Miranda Kadwell, Kim Martin, Becky Caney and Tim Stretton

Apologies were received from Chris Scanes who experienced technical difficulties

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

Part I

33. Declarations of Interests and Conflicts

33.1 None declared.

34. Part I Minutes of the last meeting

34.1 Resolved – That the part I minutes of the meeting of the Board held on 13 November 2020 be agreed as a correct record.

35. Progress Statement

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

35.2 Adam Chisnall introduced the report and confirmed that most actions had been completed. Two actions highlighted were the ACCESS Governance training that would follow this meeting and the Internal Audit item that would be included in the Business Plan for the Pensions Committee in March for a report to the Board in April 2021.

35.3 Resolved – That the Board noted the report.

36. Pensions Committee Minutes - Part I

36.1 The Board considered 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. This also included a note from the Chairman summarising the Pensions Committee webcast from 25 January 2021.

36.2 It was pointed out that the Chairman's Pensions Committee webcast summary incorrectly referred to a £75K cap at the section of the report numbered 9, titled, 'Scheme Changes'. This was noted as a typographical error and amended to £95K cap.

36.3 Resolved – That the minutes and agenda be noted.

37. Election of Scheduled Body Representative

37.1 The Chairman introduced the report on the Election of Scheduled Body Representative from the 25 January 2021 Pensions Committee by the Director of Law and Assurance.

37.2 In noting the criteria for nomination, it was suggested that the reference to a candidate's need to have at least two years left on their expected term of office should be amended to allow for greater flexibility. Rachel Wood agreed to feedback and adjust this wording if necessary.

37.3 Resolved – that the Board noted the report from the 25 January 2021 Pensions Committee by, the Director of Law and Assurance.

38. Business Plan Update

38.1 The Board received a Business Plan Update from the Chairman of the Pension Advisory Board (copy appended to the signed minutes).

38.2 The Chairman introduced the report on the Board's performance that provided a review of the Board's key actions over the past year (2020/21). The review was set against the backdrop of the ongoing pandemic and its impact on the Pensions Advisory Board's processes and national initiatives.

38.3 The Board's attention was drawn to the Pensions Committee Business Plan Update Report which noted the risk position as well as progress made against their action plans. The pandemic had also impacted on the Pensions Committee's operations. Rachel Wood explained that this was the penultimate review, by the Committee, of their 2020/21 plan which would be presented to the Pensions Committee meeting in March with a revised plan for 2021/22, setting objectives for the forthcoming year.

38.4 Resolved – That the Board;

- (1) Agrees the performance report for 2020/21, and that the Pensions Committee and Governance Committee be informed.
- (2) Notes the Pensions Committee business plan update report.

39. Administration procedures and performance

39.1 The Board received the Administration Report from the 25 January 2021 Pensions Committee by the Director of Finance and Support Services, for consideration.

39.2 In presenting the report, Tara Atkins confirmed that, as part of the efforts to drive good data improvements, the administration team reviewed Employer Performance for timeliness, financial control, and data quality as part of the Annual Return process. It was noted that sixty employers had been asked to complete a mid-year check on data validation. Forty-two responses had been received so far.

39.3 It was noted that the Pensions Regulator Scheme Return figures had been reported to the Committee and Board. Data was now available

to allow comparison that showed there had been an improvement on last year's scores. The Board was informed that the Fund was in the process of completing an address trace for members who were showing as a 'lost contact'. Once completed, this was expected to improve the common data score.

39.4 It was reported that use of the Members Portal for access to Annual Benefit Statements online, as well as access and update options on personal details, had increased - which was pleasing. The Portal continued to be promoted for business as usual use.

39.5 The Board discussed whether future reporting to the Pensions Committee should include the number of complaints received. Numbers of complaints, across the whole scheme, were noted as low. It was agreed that any reporting should provide information on resolution outcomes.

39.6 Resolved - That the Board note the report.

40. Regulations and Guidance update

40.1 The Chairman presented his report, Regulations and Guidance Update, to the Board and the following key points were noted;

- the Scheme Advisory Board (SAB) meeting discussed the Good Governance Project. As consultation was required, it was expected that any changes to Governance would emerge later in the summer;
- the £95K cap had been revoked by HM Treasury;
- the Pensions Regulator's 2020 survey had been issued and a response had been submitted on behalf of the Board;
- Appendix A was referred to as the report that was submitted to the Pensions Committee in January 2021 on Scheme Changes.

40.2 Resolved - That the Board notes the current issues relating to Scheme Regulations and Guidance.

41. Communication Strategy

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

41.2 Tara Atkins introduced the report to the Board, confirming that the Communication Policy Statement had been reviewed to reflect the Board's comments at their last meeting.

41.3 The Board was referred to Appendix A which set out the calendar of communication deliverables. The Board's attention was drawn to the Annual Newsletter for pensioners which was scheduled for a full review in 2022. It was anticipated that a digital option would make space available to include both standard information as well as relevant updates such as scam warnings. The Board was asked to feedback their views on the newsletter in advance of the review next year.

41.4 Resolved - That the Board;

- (1) Notes the schedule of Communications drawn from the Communication Policy Statement.
- (2) Notes the updates made to the Communication Policy Statement as set out in paragraph 2.2.

42. Review of Pension Fund Policy Documents

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

42.2 Rachel Wood introduced the report and asked members to consider the list of policy documents at Appendix A. The document included within this agenda was the Treasury Management Statement, which was being seen by the Board in advance of being presented to the Pensions Committee in March. CIPFA Guidance had also been circulated.

42.3 The Board made the following key points;

- The Governance Compliance Statement was noted as last reviewed by the Board in November 2018 and had been scheduled for review at this meeting. 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. It was pointed out that progress by the SAB has been delayed by the pandemic. The existing Governance Compliance Statement had not changed since last reviewed by the Board and any further review was therefore noted as deferred until new proposals are known;
- The Treasury Management Statement outlined how cash balances are administered. Funds were noted as cash flow positive with no borrowing and asset transition between portfolios a rare occurrence; and
- The CIPFA Code of Practice was highlighted as out to Consultation. Rachel Wood confirmed that this would be reported to the Treasury Management team and an update would be provided to the Board. The Chairman informed that the Ministry of Housing, Communities and Local Government (MHCLG) Guidance was over twelve years old and in need of update but anticipated that this would be a slow process.

42.4 Resolved – That the Board notes the register of Policy Documents.

43. Training

43.1 The Board considered a tabled document outlining the training that had been recorded for Board members (copy appended to the signed minutes).

43.2 Adam Chisnall introduced the report and noted the progress that had been recorded for the Pension Regulator Toolkit modules. Members were asked to ensure accuracy and make sure all training had been included.

43.3 In noting the training record the Board;

- Noted that the Pensions Regulators Toolkit had another module (pension scams) that the Board may be interested in working through. This would be researched and reported back to the Board in terms of its suitability.
- Miranda Kadwell shared a training overview slide with the Board based on the Good Governance Review and the Pensions Regulators Code of Practice 14. The document could help to evidence the Board's training progress and evidence how the Board is working to comply with guidance. It was seen as a useful way to demonstrate the Board's knowledge and could support them in assisting the Scheme Manager in compliance with Regulations and guidance. It was agreed that this would be circulated to Board Members for further discussion (copy appended to the signed minutes).

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

44. Date of Next Meeting

44.1 The Board noted that its next scheduled meeting would take place at 9.30am on Wednesday 28 April 2021.

45. 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.

46. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 13 November 2020 Pensions Advisory Board meeting.

47. Pensions Committee Minutes – Part II

The Board noted the contents of Part II minutes from the meetings of the Pensions Committee held on the 23 October 2020 and the 17 November 2020.

48. AVC

The Board considered the report by the Director of Finance and Support Services from the 25 January 2021 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

49. ACCESS Update

The Board considered the report by the Director of Finance and Support Services from the 25 January 2021 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 11.06 am

Chairman

Pension Advisory Board Progress Report – April 2021

Date Received & Minute Number	Subject	Matters Arising	Who	Update	Next Update
07/09/20 Minute 6.1	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.	CLOSED
13/11/20 Minute 24.3 3rd Bullet	Communication Policy – Tapered Annual Allowance	The Board asked if tapered annual allowance should be referenced.	AL	<p>There is no specific mention of tapered allowance on the statement. However, when the team are writing to members who have a tapered allowance, and have exceeded it,</p> <ul style="list-style-type: none"> • a paragraph is added to say voluntary scheme pays applies to them, and not mandatory, and • the calculations produced show the member tapered allowance. <p>Therefore it is considered that this covers the circumstances envisaged by the feedback.</p>	CLOSED
26/02/21 Minute 37.2	Election of Scheduled Body Representative	The Board noted the criteria for nomination and suggested that the reference to a candidate’s need to have at least two years left on their expected term of office should be amended to allow for greater flexibility.	RW	Employers were invited to provide queries on matters including the term required as part of a reminder email sent 16/03/2020. An appointment has now been made.	CLOSED
26/02/21 Minute 39.5	Administration Report Statistics	The Board queried whether future reporting to the Pensions Committee should include the number of complaints received.	RW	This has been reflected in the administration report	CLOSED
26/02/21 Minute 43.3 1st Bullet	Pensions Regulators Toolkit Modules	The Board noted that the Pensions Regulators Toolkit had another module on pension scams and asked if this should be completed.	RW	There is a new tPR module available covering Pension Scams. All PAB members need to complete this module and let Tracey Jeffryes or Adam Chisnall know when this has been done.	CLOSED

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Pensions Committee

25 January 2021 – 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, Mr Donnelly and Ms Taylor

Part I

50. Declarations of Interests

50.1 Cllr Dr James Walsh declared a personal interest as a member of Littlehampton Harbour Board.

51. Part I Minutes of the last meeting

51.1 Resolved – That the Part I minutes of the Pensions Committee held on 17 November 2020 be approved as a correct record, and that they be signed by the Chairman.

52. Pension Advisory Board Minutes - Part I

52.1 The Committee considered the confirmed Part I minutes from the 7 September 2020 Pension Advisory Board meeting; and the Agenda from the 13 November 2020 meeting (copies appended to the signed minutes).

52.2 Resolved – That the minutes and agenda be noted.

53. Election of Scheduled Body Representative

53.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes).

53.2 Charles Gauntlett, Senior Advisor Democratic Services, introduced the report and explained that there has been a vacancy on the Pensions Committee for a Scheduled Body representative for some time. Mr Gauntlett stated that the proposal was to ask education establishments who are Scheduled Body employers to agree to nominate a shared representative as detailed in the appendix of the report.

53.3 The Committee discussed if the Schools Forum could be used to make the process simpler, but it was pointed out that Higher Education is not represented on the Schools Forum.

53.4 The Committee also suggested that the election process could include a clause that if over ten applications were received then a process for shortlisting should be established.

53.5 Resolved – That the proposed nomination and election process for a Scheduled Body Employer representative be approved with the addition

that if more than ten applications are received officers should adopt a process to shortlist.

54. Business Plan

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

54.2 Katharine Eberhart, Director of Finance and Support Services, introduced the report highlighting the updates provided in the summary of the report. Ms Eberhart stated that several of the highlighted areas are for discussion at separate agenda items. In addition, Ms Eberhart stated that the objective 'Competition & Markets Authority' was rated red and a review was to be completed by 31 December 2020. It was explained that this was running behind schedule, but the review was due to be complete by the end of this week.

54.3 Ms Eberhart referred the Committee to the item on the risk register relating to poor quality data resulting in error and misstatement. It was confirmed that significant progress had been made in this area and the rating would likely turn to green in the spring.

54.4 It was confirmed that the training on ACCESS governance had been scheduled to align with the Pension Advisory Board meeting in February. The date and information would be circulated to Committee members after the meeting.

54.5 Resolved that:

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

55. Pension Administration Performance

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

55.2 Ms Eberhart introduced the report stating that this was the second year since Hampshire County Council had provided the Pension Administration Service for West Sussex County Council. Ms Eberhart was pleased to report that the 100% compliance with the key performance indicators continued and significant progress had been made on data cleansing.

55.3 Andrew Lowe, Head of Pensions, Hampshire County Council also referred the Committee to the progress on previous performance around Annual Benefit Statements as outlined in section 2.3 of the report.

55.4 The Committee thanked the team for their hard work.

55.5 Resolved - that the Committee note the update.

56. Scheme Changes

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

56.2 Rachel Wood, Pension Fund Strategist, introduced the report explaining that it provided an update on the national landscape and the funds response to the McCloud judgment in relation to public sector exit payments. Ms Wood highlighted the conflict between regulations and the impact this would have on members made redundant who are over 55. This was detailed in section 3.7 of the report and the legal advice received by Administering Authorities on how to deal with this was set out in section 3.8 of the report.

56.3 Ms Wood also drew the Committees attention to section 6 of the report that detailed a consultation with employer in relation to employer flexibilities. Ms Wood reported that this consultation resulted in limited feedback.

56.4 Steven Law, Hymans Robertson, added that a ministerial statement was expected in February 2021 in relation to the McCloud judgment, so all benefit changes are on pause until that is announced.

56.5 Members asked how many employers had responded to the letter sent about the data required for work to rectify member records as a result of the McCloud judgement. Andrew Lowe stated that of the 206 written to, 145 had acknowledged receipt of which 28 had queries. Rachel Wood confirmed there were no comments of concern.

56.6 Resolved that:

- 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.

57. Date of the next meeting

57.1 The Committee noted that its next scheduled meeting would take place on 17 March 2021.

58. 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.

59. Part II Minutes of the last meeting

The Committee agreed the Part II minutes of the Pensions Committee held on 17 November 2020.

60. Pension Advisory Board Minutes - Part II

The Committee noted the contents of the Part II minutes from the 7 September 2020 Pension Advisory Board meeting.

61. 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.

62. Private Equity

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

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

63. AVCs

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

The Committee noted the update.

64. Baillie Gifford Paris Aligned

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

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

65. Review of Pension Investment Performance

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

The Committee noted the report and welcomed the advice.

66. Presentation by Aberdeen Standard

The Committee received an update from Mark McKelvey, Matthew Cunliffe and Geoff Hepburn from Aberdeen Standard on the portfolio performance for the quarter.

67. Property Mandate

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

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

The meeting ended at 2.09 pm

Chairman

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Tony Kershaw
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9 March 2021

Pensions Committee

A virtual meeting of the Committee will be held at **10.00 am** on **Wednesday, 17 March 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.

Items 1 to 11 in Part I of the agenda will be available to watch via the internet at the address below. Items 12 to 17 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, Member of Littlehampton Town Council and Member of the Littlehampton Harbour Board

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

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

The Committee is asked to agree the Part I minutes of the meeting of the Committee held on 25 January 2021 attached (cream paper).

10.04 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.

10.04 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.

10.05 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 13 November 2020 and the agenda from the meeting of the Pension Advisory Board on 26 February 2021.

(a) **13 November 2020 - Part I Pension Advisory Board Minutes** (Pages 11 - 16)

(b) **26 February 2021 - Pension Advisory Board Agenda** (Pages 17 - 20)

10.10 am 6. **Business Plan 2021/22** (Pages 21 - 42)

Report by the Director of Finance and Support Services.

The Committee is asked to note the updates on Business Plan activities for 2020/21; approve key priorities within the Business Plan for 2021/22; note the full risk matrix for the Fund; and approve the ACCESS Business Plan as recommended by the ACCESS Joint Committee.

10.20 am 7. **Investment Strategy Statement** (Pages 43 - 62)

Report by the Director of Finance and Support Services.

The Committee is asked to approve the revised Investment Strategy Statement, reflecting amendments following the consultation with stakeholders.

- 10.40 am 8. **Scheme Changes** (Pages 63 - 66)
 Report by the Director of Finance and Support Services.
 The Committee is asked to note the update.
- 10.45 am 9. **Treasury Management Strategy** (Pages 67 - 74)
 Report by the Director of Finance and Support Services.
 The Committee is asked to approve the 2021/22 Treasury Management Strategy and note the treasury activity undertaken during 2020/21 (1 April to 31 December 2020).
- 10.50 am 10. **Date of the next meeting**
 The next meeting of the Pensions Committee will be 10.00 a.m. 21 July 2021.

Part II

- 10.50 am 11. **Exclusion of Press and Public**
 The Committee 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.
- 10.50 am 12. **Part II Minutes of the last meeting** (Pages 75 - 80)
 The Committee is asked to agree the Part II minutes of the meeting of the Committee held on 25 January 2021, for members of the Committee only (yellow paper).
- 10.53 am 13. **Pension Advisory Board Minutes - Part II** (Pages 81 - 84)
 The Committee is asked to note the confirmed Part II minutes from the meeting of the Pension Advisory Board on 13 November 2020 (yellow paper).
- 10.55 am 14. **Investment Strategy Implementation** (Pages 85 - 90)
 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.

Agenda Item 6b

- 11.25 am 15. **ACCESS** (Pages 91 - 98)
- 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.
- 11.40 am 16. **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).
- 12.15 pm 17. **Presentation by Baillie Gifford**
- The Committee to receive a presentation on portfolio performance.

To all members of the Pensions Committee

West Sussex Pensions Committee

Virtual meeting on 17 March 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 PAB will be submitted to the meeting on 28 April but I have set out below some of the key points that emerged from the Committee's discussion.

Item

5. Pension Advisory Board Minutes 13 November and Agenda for 26 February – no questions raised.

The Chairman commented on his review meeting to discuss the PAB activity. He said that the current arrangements whereby the Committee and Board operate separately, and exchange minutes was working very well. While both have a similar purpose, the Board looked at issues in more detail and from a different perspective. His views were supported by Cllr Walsh who said it was better to keep the standalone arrangements as joint meetings could blur the distinction between the Committee and the Board.

6. Business Plan 2021/22

- Some items from 2020/21 had not been completed but would be in the early part of the next year
- Details of new priorities and training are included
- Employer risk framework was explained
- Employer risk assessments carried out jointly by PwC and Hymans
- The amber risk on data quality was due to progress still being made on historical data, new administration arrangements, and on work with employers but to be completed before valuation in 2022
- The commitment to two private debt funds (p28) was clarified as being 5% of the fund rather than the financial values shown

7. Investment Strategy Statement

- Responses from consultation considered, mostly investment related
- About 20,000 members contacted by email but only 77 responses
- Noted that responses had been taken into account
- Correction to strategic asset allocation table. Listed equity 45%, Private Equity 5%
- Tracked changes shown but nothing significant for PAB

8. Scheme Changes

Useful update on current issues

9. Treasury Management Strategy

- Noted that this was an annual review process
- Figures relate to cash held by the fund excluding that held by asset managers
- Cash held currently is about 3% of total fund and is held for cash flow purposes, particularly relating to asset transfers in process

10. Date of next meeting – 10:00 on 21 July

- Reference made to this being the last meeting before the elections in May and that the membership of the Committee could change
- Confirmed that induction training would be available to new members

Peter Scales
Chairman, Pension Advisory Board

**Key decision: Not applicable
Unrestricted**

Report to Pension Advisory Board

28 April 2021

Business Plan 2021/22

Report by the Chairman of the Pension Advisory Board

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 Board has reviewed its performance for 2020/21 and is asked now to agree the relevant information to be included in the Pension Fund Annual Report.

The Board agrees a Business Plan for each year and reviews performance at each meeting. The Board's Plan is consistent with that of the Pensions Committee and the Board receives regular update reports as submitted to the Committee, which include a review of risks.

Recommendations

The Board is asked to:

- i. agree the performance information for inclusion in the pension fund annual report for 2020/21 as set out in **Appendix A**;
 - ii. to agree the draft PAB Business Plan for 2021/22 in **Appendix B**, and that the Pensions and Governance Committees be informed accordingly; and
 - iii. to note the Pensions Committee's business plan report attached as **Appendix C**.
-

Proposal

1. Background and context

- 1.1 The Board agreed its Business Plan for 2020/21 on 7 September 2020, delayed due to the COVID-19 restrictions. 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 2020/21 was reviewed at the Board's meeting in February and was 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 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 Board agreed a report on performance at the meeting on 26 February 2021 based on a series of one-to-one review meetings. The information to be included in the Pension Fund Annual Report is set out in **Appendix A**.

3. Business Plan for 2021/22

- 3.1 A draft plan for 2021/22, in a similar format to past years is set out in **Appendix B**.
- 3.2 The Pensions Committee agreed a business plan for 2021/22 at their meeting on 17 March and a copy of the report, including the full risk matrix for the Fund is set out in **Appendix C**.
- 3.3 Both 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, 033022 28314

Appendices

Appendix A – Performance information for inclusion in the annual report for 2020/21

Appendix B – Pension Advisory Board Business Plan for 2021/22

Appendix C – Pensions Committee's Business Plan 2021/22 Item 6 17/03/21

Background papers

None

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Forward by the Chairman of the Pension Advisory Board

The Pension Advisory Board was established on 1 April 2015, under the provisions of the LGPS Regulations 2013, to assist the Scheme Manager in; ensuring compliance with regulations, the application of guidance and legislation; implementing requirements imposed by the Pensions Regulator; and to help secure effective and efficient governance and administration. The Board meets four times during each financial year.

The Board is required to have a minimum of four members with equal representation of employers and scheme members – six members are appointed currently. Each member has demonstrated their commitment to meeting their responsibilities, to gaining new knowledge and understanding of the issues, by preparing for each meeting and by participating effectively in the Board's discussions.

The Board has continued to operate well during the past year despite the restrictions imposed by the COVID-19 pandemic. However, it was necessary to cancel the meeting planned for June while the technical arrangements for virtual meetings were established. This has also led to occasional problems with the technology. The business for each meeting has been planned by reference to the business plan agreed for 2020/21 and is based on the responsibilities of the Board and guidance issued about key issues to be covered. The plan has been comprehensively addressed during the year and there have been no disputes in the decisions reached. Key items covered include administration performance, communications, policy statements, data quality, new regulations and guidance, the new pooling arrangements with ACCESS, and knowledge and skills requirements.

The Board uses the Local Government Pensions Committee (LGPC), the Scheme Advisory Board (SAB) and The Pensions Regulator (tPR) websites as points of reference for the Scheme regulations and guidance, and to track any changes. In particular, the Board has been monitoring progress on the Hymans Robertson Good Governance Review commissioned by the SAB, which is currently awaiting a Government response. Updated regulations and guidance are expected to be published during 2021/22.

The Board has formulated its training plan, in conjunction with the Pensions Committee, to cover the individual requirements of each member based on guidance issued by CIPFA, using the suggested framework to ensure coverage of all items over a reasonable period. Training sessions are held as part of each Board meeting and additional induction training is provided to new members. Progress on training is monitored and discussed at each meeting and reviewed annually in the year-end performance reviews.

The Board is satisfied that the West Sussex Pension Fund is operated in compliance with statutory regulations and other legislation, and with guidance issued by Ministry of Housing, Communities and Local Government (MHCLG) and the Chartered Institute of Public Finance and Accountancy (CIPFA). The requirements imposed by tPR are being met and the Board is monitoring the effectiveness and efficiency of the governance and administration arrangements.

Peter Scales
Chairman of the Pension Advisory Board

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Pension Advisory Board Business Plan 2021/22

Background

This is the Business Plan for the West Sussex Pension Advisory Board. The Business Plan is an important document which sets out the aims and objectives of the Board over the coming year, its core work and how the objectives will be achieved.

The County Council is responsible for the administration of the West Sussex County Council Pension Fund and as the Administering Authority, is required under S106 of the LGPS Regulations 2013 to establish a local pension board and has established the Pension Advisory Board for this purpose.

The County Council acts as the Scheme Manager, as defined by the Public Service Pensions Act 2013, in respect of the management of the Scheme and its functions in this respect are discharged in accordance with the Council's scheme of delegation by the:

- Governance Committee (delegated to the Pensions Committee); and
- Officers (Director of Finance and Support Services and the Director of Law, Assurance & Strategy)

The Board is supported by the officers, by the appointment of an independent chairman, and by assurance statements and information provided by external service providers. The costs of the Board's operations are charged to the Pension Fund and a budget is included in the Business Plan.

The Board's approach has been to establish a core programme of work based on guidance received from the Pensions Regulator, the Scheme Advisory Board and from CIPFA in the form of advisory guidance.

The Business Plan has been developed to be more consistent with and complimentary to the Pensions Committee's business plan. The Plan is reviewed annually and progress monitored at each meeting. New priorities that might arise can be introduced at each meeting and new action identified where progress has not been as expected.

Details of how the Board's objectives will be met, together with key priorities and an indication of key risks are included in the Plan. The achievement of the objectives and key tasks are reviewed at the end of each year and reported to the Pensions Committee. A brief report is also approved for inclusion in the Pension Fund Annual Report and is made available to scheme employers and to scheme members.

STATUTORY RESPONSIBILITIES

1. The statutory responsibilities of the Board are similar to those set out in the Regulations for all local pension boards:

Assist the Scheme Manager:

- To secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
- To secure compliance with requirements imposed in relation to the scheme by the Pensions Regulator;
- In such other matters as the scheme regulations may specify;
- To ensure the Scheme Manager effectively and efficiently complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator (COP14); and
- To ensure that the Board complies with the knowledge and understanding requirements in the Regulator's Code of Practice.

ACCOUNTABILITY

2. The Board is accountable to the Scheme Manager, to the Pensions Regulator, to the Scheme Advisory Board, and to the scheme employers and members that it represents.
3. The Scheme Advisory Board will advise the Responsible Authority (the Ministry for Housing, Communities and Local Government) and the Scheme Manager.
4. The Pensions Regulator will report to the Responsible Authority but will also be a point of escalation for whistle blowing or similar issues (supplementary to the whistle blowing policy and anti-fraud and corruption policy operated by the Scheme Manager which operate to include all of the functions of the Council as Scheme Manager and its advisers).

PRINCIPAL FUNCTIONS

5. The principal functions of the Board include:
 - Seeking assurances that due process is followed with regard to Pensions Committee decisions:
 - Considering the integrity and soundness of Pensions Committee decision making processes:
 - Seeking assurance that administration performance is in compliance with the Administration Strategy;
 - Considering the effectiveness of communications with employers and members including the Communication Strategy;
 - Considering and commenting on Internal Audit recommendations; and
 - Consideration of External Auditor reports.

6. Any complaint or allegation of breach of due process brought to the attention of the Board shall be dealt with in accordance with the Pensions Regulator’s Code of Practice.

OBJECTIVES

7. The Board’s main objectives are set out below:

Governance: Act solely in terms of the public interest, with integrity, objectivity, accountability, openness, honesty and with leadership, and seek to ensure these are followed by all those involved in the Fund’s administration.

Compliance: Seek to understand the statutory framework of regulations and guidance, and ensure all aspects are complied with.

Administration: Seek to ensure that proper procedures and controls are in place and are followed, and that performance expectations are met.

Communication: Seek to ensure that standards of reporting and clear communications are maintained and improved.

Efficiency: Seek to ensure improvements are being made in all processes, and minimise demands placed on officers in supporting the Board’s work.

Effectiveness: Seek to ensure that the Board is making an effective contribution to the governance of the Fund through careful planning and performance assessment.

Risk management: Seek to ensure that fund risks are being identified, monitored and mitigated through proper procedures and controls.

Proper advice: Seek to ensure that proper advice is being taken and considered in all aspects of decision-making.

Knowledge and understanding: Seek to ensure that all Board members maintain a suitable level of knowledge and understanding.

Responsiveness: Seek to ensure that the Board considers and responds to consultations, surveys and requests for information effectively.

8. The means by which the Board can deliver these objectives is set out in the detailed plan. As part of the agenda planning process, the officers and chairman have agreed a structured agenda as a standard and discuss the detailed agenda well in advance of each scheduled meeting.
9. The papers for each meeting are made available at least one week prior to the meeting and implementation of action agreed is monitored in a progress report at the following meeting.

BUDGET

10. The Board does not have delegated powers to incur expenditure but agrees an annual budget with the officers each year. Provisional sums are included to allow the Board to request any additional independent advice that might be required in exceptional circumstances.

Budget item	Budget 2020/21 £	Spend 2020/21 £	Budget 2021/22 £
Fee for independent chairman	17,500	17,500	17,500
Travel expenses/subsistence	2,000	?	2,000
Training provision	2,500	?	2,500
Democratic Services Support (0.2 FTE)	7,500	?	7,500
Meetings (incl. refreshments)	700	?	700
Provisional sums (if required):			
✓ Legal and other external advice	3,000	0	3,000
	2,000	0	2,000
✓ Contingency			
TOTAL BUDGET	33,000	26,003	35,200

N.B. All costs are chargeable to the Pension Fund.

TRAINING

11. The Pensions Committee has agreed a Training Strategy which incorporates the Board's training needs. Training for Board members, including induction training, is provided through regular focus sessions at each meeting, regular updates from officers and advisers, internally developed training days, and attendance at external seminars which specialise in the needs of local pension boards.
12. Reference is also made to the e-learning provided by the Pensions Regulator and, at the start of 2021/22, all members of the Board had successfully completed the public service learning modules.
13. In terms of self-learning and familiarisation, the Board has developed arrangements to keep members apprised on changes to the scheme regulations and guidance through access to the national LGPS and Scheme Advisory Board websites.

RISK MANAGEMENT

14. The Board does not consider it necessary to have its own risk register but monitors the Fund risk management arrangements as reported to the Pensions Committee on a regular basis.

AREAS FOR ATTENTION IN 2021/22

- Internal controls and audit assurances – PAB involvement
- Governance compliance changes – pending responses from MHCLG to SAB proposals
- The Pensions Regulator's proposals for a combined Code
- Potential pensions/cyber scams – controls and warnings to members
- 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

Pension Advisory Board - Business Plan 2021/22 - Key tasks and activities

Core on-going work	Special activities and reviews 2021/22
Business Planning and Performance	
<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 on-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>Review of current Board operations in line with the Scheme Advisory Board's Good Governance Review proposals as a 'dry run'</p>
<p>Key Risks</p> <ul style="list-style-type: none"> • Failure to manage work efficiently and effectively • Failure to account for activities and performance 	
Compliance checks	
<p>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.</p>	
<p>Review the Pension Fund Annual Report and Accounts for content and compliance.</p>	<p>Scheduled for meeting on 26 July</p>
<p>Review statutory policy statements on a regular basis and on a three-year rolling basis</p>	
<p>Monitor and review changes to regulations and guidance at each meeting</p>	
<p>Key risks</p> <ul style="list-style-type: none"> • Failure to manage conflicts properly • Non-compliance with regulations and guidance • Changes being implemented at short notice due to delays caused by pandemic 	

Core on-going tasks	Special activities and reviews 2021/22
Governance arrangements	
Review decisions of the Pensions Committee	
Review management and monitoring of the pension fund risk register	
Monitor audit reports and assurances on internal controls	Review internal audit programme of work and assurances
Monitor work planned by the Pensions Regulator (tPR)	Review new tPR Combined Code for compliance requirements
Monitor reports and initiatives from the Scheme Advisory Board (SAB)	Review SAB proposals on future governance arrangements when made available
Respond to surveys and requests for information from the tPR and the SAB	
Report to the Pensions Committee and Governance Committee on a regular basis and as required	
Report to tPR, MHCLG and SAB in exceptional circumstances	
Key risks <ul style="list-style-type: none"> • The decision-making process is not fully effective • 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 	

Core on-going tasks	Special activities and reviews2021/22
Administration procedures and performance	
Consider a report on the administration of the scheme at each meeting	Monitor impact of Scheme changes on administration capacity
Monitor notifiable events and the recording and reporting of breaches	
Monitor key performance indicators and recovery action	Consider scope for inter-fund comparative indicators, including unit costs and service levels
Monitor recording of compliments and complaints, and progress on IDRP cases	
Monitor movements in membership numbers	Review arrangements for auto-enrolment and for growing membership
Monitor data quality and integrity, and progress on improvement plans	Review implementation of Data Improvement Plan
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	Monitor work by internal audit Review controls relating to cyber risk
Key risks <ul style="list-style-type: none"> • Failure in the efficient and effective administration of the scheme • Non-compliance with reporting requirements • Failure to detect potential problems, including fraud at an early stage 	

Core on-going tasks	Special activities and reviews 2021/22
Investment and funding	
Review the investment strategy statement to assess compliance with regulations and guidance issued by MHCLG and CIPFA	Review revised guidance issued by MHCLG when available
Review the funding strategy statement to assess compliance with regulations and guidance	
Review the process of consultation with appropriate persons, particularly scheme employers	
Review the valuation process for compliance and good practice	Develop understanding of actuarial methods, standards and practices and application to the valuation process.
Review developments on the pooling arrangements, particularly in relation to governance and investment management	
Monitor arrangements for monitoring investment performance and costs	
Monitor developments in relation to responsible investing and ESG issues insofar as they relate to the Board’s responsibilities	Review revised SAB guidance when issued
Key risks <ul style="list-style-type: none"> • Non-compliance with investment regulations and Government guidance • Failure of proper governance arrangements in the pooling of Fund assets • Failure to comply with or respond to developments in good practice or regulatory compliance • Net asset values are insufficient to meet future liabilities • Lack of clarity on role of PAB in relation to ACCESS and on responsible investing 	

Core on-going tasks**Special activities and reviews 2021/22****Communications**

Monitor disclosure of information in line with statutory requirements, including annual benefit statements

Review newsletters for content and clarity

Review communications with employing authorities

Monitor developments in the website and pensions portal

Consider more effective links to scheme members

Review information provided on potential pensions/cyber scams

Key risks

- Failure to keep employers and scheme members properly informed
- Non-compliance with Administration Strategy
- Scheme members fail to understand scheme benefits and opt-out

Training

Maintain training log and review activity regularly

Monitor implementation of training strategy

Undertake comprehensive refresher training

Identify opportunities for in-house training after each meeting and for external training courses or events

Develop joint training with Pensions Committee

Key risks

- Failure of Board members to maintain a suitable level of knowledge and understanding
- New training requirements imposed on PAB in relation to compliance testing

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Pensions Committee

17 March 2021

Business Plan 2021/22

Report by Director of Finance and Support Services

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.

The following are noted as updates to priorities within the 2020/21 Business Plan:

- The implementation of the Fund's new AVC arrangement is now substantially completed.
- A consultation with stakeholders on the Fund's Investment Strategy Statement has concluded.
- The Fund completed its commitment to an infrastructure fund on 28 February 2021 (slightly after the previously proposed date of 31 January 2021).
- Further work on the Guaranteed Minimum Pension (GMP) has been scoped for completion of the required reconciliation work in mid-2021.

As this is the final meeting prior to the new financial year, priorities for 2021/22 have been proposed. The following are highlighted:

- Following the changes to the investment strategy during 2020/21, work will be completed to develop a reporting and monitoring framework. The Fund will also continue to actively participate in the work of the ACCESS investment pool.
- The Fund will continue to work to implement the changes required as a result of the McCloud judgement, and respond appropriately to any other significant Scheme changes and developments that impact the Fund.
- In advance of the Fund's formal valuation as at 31 March 2022, the Fund will work to further integrate an employer risk framework. Further work will also be completed on the Data Improvement Plan.
- A new priority has been included in respect of improving the published documents about the management about the Scheme and benefits provided.

Recommendations

- (1) To note the updates on Business Plan activities for 2020/21.
 - (2) To approve key priorities within the Business Plan for 2021/22 (Appendix A).
 - (3) To note the full risk matrix for the Fund, included in the Annexe 1 to the Business Plan.
 - (4) To approve the ACCESS Business Plan as recommended by the ACCESS Joint Committee, included in Appendix B.
-

1 Background

- 1.1 The Pensions Committee maintains a Business Plan which sets out its key priorities. The 2020/21 Business Plan was agreed in July 2020 and is now completed. A new Business Plan is proposed for the next financial year. This sets out the aims and objectives of the fund over the coming year and how the objectives will be achieved. This is included as Appendix A.
- 1.2 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.

2 ACCESS Business Plan

- 2.1 The ACCESS Joint Committee also maintain a Business Plan which sets out its key priorities. The 2021/22 Business Plan was agreed in January 2021. Under the arrangements of the Joint Committee this is then considered by each participating Authority individually. This is included as Appendix B.
- 2.2 The budget to deliver the Business Plan is agreed by the ACCESS Joint Committee. The Fund's contribution for 2021/22 will be £113,365 (2020/21 forecast £88,163).

3 Covid

- 3.1 The Committee received a full report when they met in July about the impact of Covid-19 on the Pension Fund. A further update has been provided at each meeting of the Committee since. There are no updates to these key risks to draw the Committee's attention to at this time.

4 Consultation, engagement and advice

N/A

5 Finance

- 5.1 An allowance for the Fund's administration expenses is included within employer contribution rates.

6 Risk implications and mitigations

N/A

7 Policy alignment and compliance

N/A

Katharine Eberhart

Director of Finance and Support Services

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

Appendices

Appendix A – Business Plan 2021/22

Appendix B – ACCESS Joint Committee Business Plan 2021/22

Background papers

None

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Business Plan

2021/22

Background

This is the Business Plan for the West Sussex Local Government Pension Scheme. The County Council is responsible for administering the West Sussex County Council Pension Fund. It has delegated responsibility for this to the Pensions Committee.

The Business Plan is an important document which sets out the aims and objectives of the fund over the coming few years and the outcomes the Committee want to achieve for its stakeholders.

The Fund's overarching objectives are set out below:

- **Governance:** To put stakeholders at the centre of everything we do, act with integrity and be accountable for decisions made. This will be achieved through a robust, and well based governance framework which considers risk management, compliance and appropriate resourcing.
- **Investments and Funding:** To make the best use of our resources and minimise the long-term cash contributions which employers need to pay to the Fund. This will be achieved through recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return.
- **Administration and Communication:** To build on the improvement journey in relation to the administration and deliver a high-quality administration service to all stakeholders. This will be done through working closely with our partners and the establishment of 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.

The plan has been written at a time when the country is responding to the uncertainty caused by the Coronavirus Pandemic. The longer term physical and mental health, social and economic impacts are yet to be fully seen. This may change the plan in the future.

Resources and Budget

The County Council's s151 Officer and Director of Finance and Support Services is responsible for the administration of the Fund's financial affairs and has delegated authority to manage and advise the County Council in the discharge of the responsibilities of the County Council as Scheme Manager in relation to the Local Government Pension Scheme under the Public Service Pensions Act 2013, jointly with the Director of Law and Assurance.

The Director of Finance is supported by the Head of Finance and LGPS Officers (equivalent to 8.15FTE).

Other key parties are listed below:

- **Administration:** The pension administration is provided through a partnership with Hampshire County Council. The Fund pays an annual charge relating to the pensions and payroll administration and relevant staff costs, as agreed between the Director of Finance and Support Services and Hampshire County Council.
- **Oversight and Governance:** The Fund has access to services within the County Council's finance team including banking, income collection and treasury management and access to services within the County Council's legal team, who may also commission advice from outside legal firms as appropriate. Costs are charged to the Fund based on a proportion of time spent by officers and associated management, accommodation and other overheads.
- **Professional Advisers:** External advisers including the Fund Actuary, Independent Advisers and Independent Property Valuer have been appointed to provide appropriate advice to Officers and Members.
- **External Fund Managers:** Fund management has been outsourced to external fund managers. Fees are agreed in the respective mandates governing their appointment and are mainly based on the market value of the investments under management.

The Fund's financial statement provide more detail about the costs incurred.

Priorities

During the 2020/21 financial year the Fund successfully:

- Agreed an investment strategy which reflected changes as a result of the strong funding position identified at the 2019 actuarial valuation and the Committee's consideration of its approach to responsible investment, aligned to deliver sustainable investment and funding outcomes.
- Implemented changes to its investment strategy including commitment of £250m to two private debt funds (managed by Goldman Sachs and ICG) and £250m to an infrastructure fund (managed by JPMorgan) to generate a reliable income and providing additional cash flows
- Transferred funds totalling £2.7bn, managed by the Fund's long-term manager Baillie Gifford, into two sub-funds within the ACCESS pool. The eleven participating authorities now have £31bn within the ACCESS pooling arrangements. The West Sussex County Council Pension Committee agreed in 2016 to join the ACCESS Pool in line with Government guidance with the aim of, over time, achieving a lower fee base.
- Completed a full review of its AVC provider providing members with lower fees, better service and an improved choice of individual funds with a stronger emphasis on responsible and sustainable investing.
- Completed its external audit of its Statement of Accounts and Annual Report, by the required statutory deadlines and with an unqualified audit opinion, with the Statements agreed by the Regulation, Audit and Accounts Committee on 20 November 2020).
- Made substantial progress on its Data Improvement Plan by processing historic case work and updating for missing historic information on member records. This has been reflected in the compliance with the publication of Annual Benefit Statements for members compared to prior years (99.9% of deferred statements and 95.1% of active statements had been published by the statutory deadline).
- Introduced online functionality for the benefit of members and employers in the Scheme.
- Dealt with a range of Scheme changes.

Some of these priorities continue in 2021/22, along with new business plan items. These have been set out on the following page:

BUSINESS PLAN ITEM	CONTEXT	2021/22 ACTIONS
INVESTMENT STRATEGY STATEMENT	The Fund has an Investment Strategy Statement designed to provide transparency in relation to how investments are managed.	Implement strategy and develop reporting and monitoring framework.
IMPLEMENT CHANGES REQUIRED AS A RESULT OF THE MCCLLOUD JUDGEMENT	On 20th December 2018 the Court of Appeal found that protections given to scheme members who in 2012 were within 10 years of their normal retirement age were unlawful on the grounds of age discrimination and could not be justified. Those members who have been discriminated against will need to be offered appropriate remedies to ensure they are placed in an equivalent position to the protected members.	Receive and validate data from employers in order to update the records of affected members whilst keeping key stakeholders informed and managing the risks inherent in a large project. Recalculations and possible restitution will form the next phase of the work.
PREPARE FOR 2022 VALUATION	The Fund is required to undergo a triennial valuation and the next one will be as at 31 March 2022.	Work with advisers to integrate employer risk framework into the 2022 valuation and future monitoring arrangements.
COMMUNICATIONS (NEW)	The fund is required to publish several strategy documents and disclose information about benefits and scheme administration to scheme members and others.	Develop an approach to support the Communication Strategy which considers the communications documents published for stakeholders to support the understanding of the management of the Scheme and benefits provided.
DATA	The maintenance of complete and accurate records is a control to allow the fund to carry out basic functions. Poor record-keeping can result in schemes failing to pay benefits in accordance with scheme regulations, processing incorrect transactions and paying members incorrect benefits.	Undertake further work to identify data improvement requirements ahead of the 2022 Actuarial Valuation and support wider service improvements such as self-service and the Data Dashboard.
ROBUST ACCOUNTING	The Pension Fund is required to produce accounts in line with statutory deadlines. The accounts are subject to external audit review and assurance.	Complete the Pension Fund's Statement of Accounts by the statutory deadline and work with the external auditors on their review.
ANNUAL REPORT	The Pension Fund is required to produce an Annual Report in line with statutory deadlines and considering statutory guidance.	The Report will be considered by the Pensions Committee at their meeting on 21 July 2021 and by the Pension Board on 26 July 2021.
ACCOUNTING SYSTEM	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 replace the current SAP system by no later than 30 April 2022.	Officers will continue to work with the project team to ensure the accounting system is implemented.

West Sussex Pension Fund

Training

A Training Strategy has been established to aid the Pension Committee and Pension Advisory Board members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities.

Key training for the Committee have been summarised below.

- July 2021 - Induction training
- July 2021 – Statement of Accounts
- October 2021 – Link Fund Solutions
- November/December 2021 – The Actuarial Valuation process
- January 2022 – Employer Risk / Employer Management

This will be supplemented by external training opportunities including:

- May 2021 – PLSA Local Authority Conference
- July 2021 – LAPF Investment Conference
- September 2021 – LGC Investment and Pension Summit
- September to December 2021 – LGA Fundamentals
- January 2022 – LGA Annual Governance Conference

Risk

The risk assessment process helps identify a range of internal and external risks which are critical to the Scheme and members. This has been informed by relevant sources of information including internal disputes, legislative breaches, internal and external audit reports, and service contracts. This has been summarised below, and a full version including mitigating actions can be found at Annexe 1.

Ref	Risk Theme	RAG Mar 21
RT1	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.	Amber
RT2	Remote working results in increased governance pressure within the Fund, Council and partner organisations.	Amber
RT3	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.	Amber
RT4	Insufficient funds to meet liabilities resulting in increased contributions required from employers or changing to a higher risk investment strategy	Green
RT5	Insufficient resources to comply with the Administering Authority's Regulatory responsibilities.	Amber
RT6	Poor quality data resulting in error and misstatement.	Amber
RT7	Officer, Committee and Board knowledge and understanding resulting in poor decision making and disengagement on key issues.	Green
RT8	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.	Amber
RT9	Failure to secure value for money through managing contracts with third parties	Green
RT10	Political environment (locally or nationally) impact on investment markets and legislative requirements.	Amber
RT11	Conflict of interest for members and employers	Green
RT12	Increase in variety and number of employers participating in the Scheme resulting in risk of non-compliance with obligations.	Amber
RT13	Cyber crime resulting in personal data for members being accessed fraudulently.	Amber
RT14	Fund not able to implement changes required as a result of McCloud judgement due to insufficient resources or incomplete information held by employers	Amber

Audit and Controls

The County Council’s Regulation, Audit and Accounts Committee (RAAC) have responsibility to provide an adequate and effective system of internal control, to consider the Head of Internal Audit’s annual report and opinion and to approve the Internal Audit annual work programme. The Committee have responsibility to consider the work of RAAC with regards to the Pension Fund accounts, internal and external auditors’ reports, development and operation of risk management and approval of changes to anti-fraud and corruption strategy.

The County Council is a Key Stakeholder Partner in the Southern Internal Audit Partnership, who provide internal audit services.

Internal audit work should ensure that adequate internal controls are in place and operate effectively. It will therefore focus on the following key areas:

- Key controls are operating effectively
- Governance framework is operating appropriately
- Arrangements for investment are appropriate including asset pooling
- Business Continuity
- Cyber Risk
- Any significant changes to systems, personnel, processes
- Any controls identified as inadequate

The internal audit team will consider the above through documentation, review of systems, observations and testing of controls.

To supplement its own audit framework the County Council will also receive internal audit reports from its administration provider, Hampshire County Council. The team will also provide the Council’s internal and external auditors with information relevant for the completion of their work.

The following audit work will be completed over the next three years relating to the pension administration services for processes consistent between West Sussex Pension Fund and Hampshire Pension Fund:

Key area	2021/22	2022/23	2023/24
<p>Pensions, payroll and benefit calculations: Annual review to provide assurance that systems and controls ensure that:</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients; • All changes to on-going pensions are accurate and timely; • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	•	•	•
<p>Pension Starters: Review of the control framework to support appropriate, complete and prompt admission of new starters to the various pension schemes administered by Hampshire Pension Services (HPS).</p>	•		
<p>Pension Leavers: Audit of the controls to ensure accurate, prompt and complete administration of pension leavers including the production of on-going annual benefit statements within agreed timescales.</p>		•	
<p>Transfers: To provide assurance over the processes and controls to support the accuracy and timeliness of transfers in and out of the schemes managed by HPS.</p>		•	
<p>Pension refunds: To assess that there are appropriate arrangements to ensure all refunds are valid, accurate and are paid promptly to the correct recipients following a validated request to withdraw from the schemes administered by HPS.</p>			•
<p>Member deaths: To provide assurance that systems and processes ensure that any payments related to deceased members are calculated correctly and paid promptly to the correct recipient, with the risk of overpayments minimised.</p>		•	
<p>UPM application: Review of the UPM application including cyber security & access controls.</p>			•
<p>National Fraud Initiative: Full exercise undertaken October 2020 and completed within 6 months and to be undertaken again in October 2022.</p>	•		•

West Sussex Pension Fund

Additional internal audit work is also proposed to include accounting for pension payroll, recoveries and contribution receipts, employer assets and cashflows, governance and investments.

Risk No	Risk Category	Risk Theme	Risk Description	Risk Owner	Risk Impact	Initial Risk Score			Risk Strategy	Target Risk Score			Risk Control/Action	Action Owner	Risk Update	Current Risk Score			Next Full Risk Review Date
						Impact	Likelihood	Score		Impact	Likelihood	Score				Impact	Likelihood	Score	
PEN 29	Financial	RT1	The benefits payable each month are more than the contributions received each month (cash flow negative)	Pension Fund Strategist	1. On a short term basis the Fund is not able to pay benefits or has to borrow money 2. Inability to meet liabilities 3. Need to recall monies from Investment Managers resulting in a loss of investment returns or sale of assets	4	3	12	Treat	3	2	6	Monitor cashflows on a regular basis to determine long term trends Work with Actuary to ensure long term planning of cash flow Regular meetings with Treasury Management team to discuss cash balances	Finance Manager - Pension Fund Pension Fund Strategist Finance Manager - Pension Fund	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.	3	3	9	Jun-21
PEN 32	Financial	RT3	Pressure from stakeholders and/or changes in Regulation or guidance results in change to investment strategy due to potential Environmental, Social or Governance factors.	Director of Finance and Support Services	1. Fund Manager investments restricted resulting in impaired investment outcomes. 2. Fund challenged regarding fiduciary duty	4	4	16	Tolerate	3	4	12	Requirement for active engagement by Fund Managers with companies. Regular dialogue with Fund Managers regarding investment process. Training for all decision makers regarding obligations and responsibilities Keep up to date with Scheme Advisory Board and Government guidance	Pension Fund Strategist Pension Fund Strategist Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance	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.	3	4	12	Jun-21
PEN 1	Financial	RT4	Insufficient funds to meet pension obligations resulting in higher employer contribution rates i.e. cash injection	Director of Finance and Support Services	1. Increase in Council Tax 2. Employers unable to meet Pension obligations 3. Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme	4	3	12	Treat	4	2	8	Prudent assumptions based on real returns on assets and bespoke mortality assumptions used when setting employer contribution rates. Modelling work undertaken regularly to monitor fund performance against its assumptions. Modelling work undertaken to understand the impact of contribution rate strategy. changes	Pension Fund Strategist Pension Fund Strategist Pension Fund Strategist	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 ESG and RI and to enable them to respond to any queries. Updated ISS to reflect RI strategy. Consultation with members and	4	2	8	Jun-21
PEN 2	Financial	RT4	Funding level falls below 90% funded resulting in the Fund changing to a higher risk investment strategy	Director of Finance and Support Services	1. Higher volatility of investments returns leading to changes in employer contribution rates and potential increase in Council 2. Adverse publicity, reputational damage 3. Employers unable to plan and budget in the medium term 4. Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme	4	2	8	Treat	4	1	4	Monitor, maintain and review the investment strategy including parameters for any re-risking. Monitor and review the investment manager performance and processes. Ensure the Investment Strategy Statement compliments the Funding Strategy Statement Modelling work undertaken regularly to monitor fund performance against its assumptions.	Pension Fund Strategist Pension Fund Strategist Pension Fund Strategist Pension Fund Strategist		4	1	4	Jun-21
PEN 3	Financial	RT4	Employer contribution rates fluctuate between actuarial valuations due to membership experience	Director of Finance and Support Services	1. Increase in Council Tax 2. Employers are unable to plan and budget in the medium term 3. Employers unable to meet Pension obligations 4. Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme 5. Adverse publicity, reputational damage	4	2	8	Treat	3	2	6	The Pension Fund pools certain employers to help manage fluctuations in contribution rates (at the expense of cross subsidy between the employers in the pool during the period between valuations). The Pension Fund has also adopted a policy of stabilisation for large, secure employers i.e. contribution rates move within a threshold level reviewed at the Valuation. Strain costs are monitored and each employer has an ill health budget. Ill health insurance is offered to all employers.	Pension Fund Strategist Pension Fund Strategist Finance Manager - Pension Fund	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.	3	2	6	Jun-21
PEN 4	Financial	RT4	Employer no longer actively participating in the Scheme but deficit exists.	Director of Finance and Support Services	1. Employers unable to meet Pension obligations 2. Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme 3. Adverse publicity, reputational damage 4. Increase in challenge from employers as a result of the application of Administering Authority discretion on the payment of exit credit	4	3	12	Treat	4	1	4	Covenant review at least every three years and contributions set on the basis of an employers ongoing participation in the fund and their security. Admission Agreements are regularly reviewed and enhanced by external advisers to reflect best practice and current Regulations and set out the employer obligations clearly. Bond / Guarantee Agreements in place which clearly set out level of a funding guarantee from another scheme employer, external body or government agency. Membership changes are monitored regularly and employer costs, such as early retirement and ill health early retirement, are charged to an employer as appropriate. Published policy on exit credits as part of Funding Strategy Statement which includes options around payments and employer status.	Pension Fund Strategist Pension Fund Strategist Pension Fund Strategist Finance Manager - Pension Fund Finance Manager - Pension Fund Governance	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.	4	2	8	Jun-21

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PEN 5	Financial	RT4	Declining membership numbers from some employers	Director of Finance and Support Services	1. Employers unable to meet Pension obligations	4	3	12	Treat	4	3	12	Membership numbers are monitored regularly and employers with low membership are contacted.	Pension Fund Strategist	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.	4	3	12	Jun-21
					2. Benefit payments are higher than contribution income								Guarantee Agreements also in place which clearly set out level of a funding guarantee from another scheme employer, external body or government agency.	Pension Fund Strategist					
					3. Default by Employers resulting in liabilities being funded by remaining active employers in the Scheme														
PEN 9	Financial	RT4	The Pension Fund does not provide a clear and suitable investment strategy for Fund managers to follow	Director of Finance and Support Services	1. Volatility of investment returns and/or net performance impacting the funding level.	5	2	10	Treat	5	1	5	Strategic asset allocation adopted by the Fund Managers is considered by the Pensions Committee and the fund's independent adviser, with awareness of liquidity requirements.	Pension Fund Strategist	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.	5	2	10	Jun-21
					2. Fund Managers adopt inappropriate strategic investments or has inadequate processes in place to comply with contractual requirements								Fund managers' performance is monitored quarterly against the performance of the fund-specific benchmark and the returns assumed in the actuarial valuation.	Pension Fund Strategist					
					3. The fund is unable to implement its investment strategy or choose best in class or appropriate managers.								Investment Managers held to account at Committee meetings.	Pension Fund Strategist					
					4. The fund takes on more risk than appropriate								The Fund adopts a detailed procurement process which clearly outlines the managers obligations.	Pension Fund Strategist					
					5. The funding level of the fund reduces								Contractual requirements within the Investment Manager Agreements set out the required benchmark and targets.	Pension Fund Strategist					
					6. Negative impact on officer time and resources														
PEN 11	Financial	RT4	Opt outs may increase as a result of the changes to the Scheme	Pension Fund Strategist	1. Reduction to active membership and increase the pension fund liabilities.	2	1	2	Tolerate	2	1	2	Monitor opt out levels.	Principal Pensions Consultant	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.	2	1	2	Jun-21
					2. Negative cashflow.								Ensure work undertaken to encourage enrolment through auto-enrolment work.	Principal Pensions Consultant					
PEN 8	Financial	RT5	Pension Fund accounts not accurately maintained	Finance Manager - Pension Fund	1. Adverse audit opinion	4	3	12	Treat	3	3	9	Detailed reconciliations are carried out on a regular basis.	Finance Manager - Pension Fund	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.	3	3	9	Jun-21
					2. Benefits paid incorrectly								Plan to close down accounts with timetable.	Finance Manager - Pension Fund					
					3. Investment decisions made on incorrect information resulting in higher risk								Ensure staff are trained appropriately	Finance Manager - Pension Fund					
					4. Adverse publicity, reputational damage								Maintain a good working relationship with the Actuary and auditors.	Finance Manager - Pension Fund					
					5. Under/overstatement of investments								Involvement with CIPFA resulting in best practice being adopted.	Finance Manager - Pension Fund					
					6. Negative impact on officer time and resources								Quality assurance of the accounts included within the timetable	Finance Manager - Pension Fund					
PEN 10	Legislative / Regulatory	RT5	Failure to comply with changes to LGPS Regulations and/or Inland Revenue Rules	Head of Finance	1. This could potentially create additional liabilities and administration difficulties for employers and the administering authority	4	3	12	Treat	4	2	8	All consultation papers issued by the MHCLG, Revenue & Customs, and other bodies are commented on where appropriate.	Pension Fund Strategist	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.	4	2	8	Jun-21
					2. The Pensions Regulator can fine us for breach of regulations								Officers to review all relevant regulation changes.	Pension Fund Strategist					
					3. Actuary impaired in making an assessment of an employers liabilities								Input from Actuary as needed.	Pension Fund Strategist					
					4. Adverse publicity, reputational damage														
PEN 19	Financial	RT5	Pensions team not resourced appropriately	Head of Finance	1. Key work deliverables are not completed.	4	4	16		3	3	9	Develop succession plan to manage key person risk	Pension Fund Strategist	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.	3	3	9	Jun-21
					2. Key staff leaving due to work load.								Document tasks and develop process notes where required	Pension Fund Strategist					
					3. Lack of continuity and knowledge transfer								Review of Pensions Team work plan and resources	Pension Fund Strategist					
													Regular team meetings to understand workload pressures and transfer knowledge	Pension Fund Strategist					
													Develop training plan for officers	Finance Manager - Pension Fund Governance					

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PEN 28	Technological	RT5	New County Council financial system does not meet Pension Fund requirements	Finance Manager - Pension Fund Governance	1. Potential loss of historical information (payroll and contributions) 2. Replacement system does not meet Fund requirements	4	3	12	Tolerate	3	2	6	Early engagement Consider alternative archiving of key information. Be clear in requirements of the Fund with regards to reporting standards required	Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance	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.	3	3	9	Jun-21
PEN 30	Governance	RT5	Freedom of Information requests not dealt with appropriately	Finance Manager - Pension Fund Governance	1. Breach of contract with Fund Managers where information is provided 2. Challenge against statutory obligations if information is not provided 3. Referral to Information Commissioners Office	4	3	12	Treat	4	2	8	Liaise regularly with Fund Managers regarding requests. Liaise with legal advisers Keep accurate records of what has been responded to and reasons why information is provided/withheld	Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance	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.	4	2	8	Jun-21
PEN 31	Governance	RT5	Policies are not updated in adherence to new guidance issued	Finance Manager - Pension Fund Governance	1. Policies are not compliant. 2. Challenge from stakeholders 3. Referral to the Pensions Regulator.	3	3	9	Treat	2	2	4	Register of policy documents maintained to manage review expectations. Policy documents compliance review included as a standing item of the Pension Advisory Board agendas.	Finance Manager - Pension Fund Governance Finance Manager - Pension Fund Governance	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.	2	2	4	Jun-21
PEN 12	Customer / Citizen	RT6	The quality of the information provided to members in terms of accuracy, timeliness and clarity may fall short of expectations and requirements and impacts on achieving good member outcomes.	Principal Pensions Consultant	1. Failure to comply with disclosure requirements. 2. Referral to or intervention from the Pensions Regulator. 3. Adverse publicity, reputational damage 4. Members make decisions based on incorrect or incomplete information.	4	3	12	Treat	4	2	8	Maintain Communication Strategy to ensure membership well informed of benefits. Maintain links with experts and advisers. Review communication when necessary, including following Scheme changes. Engage with stakeholders Maintain and implement a Data Improvement Plan Review of complaints and feedback for lessons and improvements.	Principal Pensions Consultant Principal Pensions Consultant Principal Pensions Consultant Principal Pensions Consultant Pension Fund Strategist Principal Pensions Consultant	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.	4	2	8	Jun-21
PEN 16	Legislative / Regulatory	RT6	Inaccurate and/or incomplete data retained by the Pension Fund. Legislation specifies the records that must be kept and failure to comply is a breach of the law.	Director of Finance and Support Services	1. Pay incorrect pension amounts 2. Impact on investment decisions 3. Additional time and cost within the team and with external advisers 4. Fined by the Pension regulator or fined by the Information Commissioner 5. Actuary impaired in making an assessment of an employers liabilities due to quality of data (and through to their 6. Adverse publicity, reputational damage	4	4	16	Treat	2	2	4	All employers participating in the scheme are provided with Administration Guide and Employer Guide which sets out their roles and responsibilities whilst participating in the Scheme and understand what member data are required and the process Escalation in place where employers fail to supply the correct data. Internal auditors undertake work on systems and processes. Review procedures and controls and implement changes where appropriate. Maintain and implement a Data Improvement Plan	Principal Pensions Consultant Pension Fund Strategist Pension Fund Strategist Principal Pensions Consultant Pension Fund Strategist	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.	3	3	9	Jun-21
PEN 14	Governance	RT7	Level of expertise and ongoing development of the Pensions Committee and Pension Advisory Board does not comply with guidance.	Finance Manager - Pension Fund Governance	1. Poor decision making 2. Fined by The Pension Regulator 3. Non engagement of Committee and Board members.	3	2	6	Treat	3	1	3	Maintain and implement Training Strategy which draws on guidance.	Finance Manager - Pension Fund Governance	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 21/22 Business Plan. Induction training for potential new committee members has confirmed. Successful joint training session on ACCESS Governance held.	3	1	3	Jun-21

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PEN 15	Governance	RT7	Pension Board Members and Pensions Committee Members do not declare conflicts of interest.	Finance Manager - Pension Fund Governance	1. Breach of regulations	3	1	3	Treat	2	1	2	Clear conflict of interest and disclosure requirements are maintained for the Pension Fund and the Pension Board in line with WSCC overriding policies.	Finance Manager - Pension Fund Governance	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.	2	1	2	Jun-21
					2. Fined by The Pension Regulator								Members of the Pension Board and Pensions Committee are asked to make declarations at the start of and during each meeting as appropriate.	Finance Manager - Pension Fund Governance		Training strategy under review to ensure fit for purpose. Training plan for the year to be included in 21/22 Business Plan. Induction training for potential new committee members has confirmed. Successful joint training session on			
PEN 20	Governance	RT7	Knowledge and understanding of Officers may not comply with the requirement to have the appropriate knowledge and understanding.	Finance Manager - Pension Fund Governance	1. Poor decision making/recommendations	4	2	8	Treat	3	2	6	Maintain and implement Training Strategy which draws on guidance.	Finance Manager - Pension Fund Governance	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 21/22 Business Plan. Induction training for potential new committee members has confirmed. Successful joint training session on ACCESS Governance held.	3	2	6	Jun-21
					2. Fined by The Pension Regulator								Training requirements identified at yearly appraisals	Finance Manager - Pension Fund Governance					
					3. Non compliance with County Council e.g. Standing Orders, Procurement Requirements								Regular meetings between line managers and team members	Pension Fund Strategist					
					4. Non engagement of officers in required decision making														
PEN 6	Financial	RT8	Failure to comply with Government expectations on asset pooling or new arrangements agreed via ACCESS	Director of Finance and Support Services	1. The Secretary of State takes over investment functions of the Fund and directs its investment strategy and to invest in specific assets.	5	2	10	Treat	5	1	5	Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.	Pension Fund Strategist	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.	5	2	10	Jun-21
					2. Impairment of the Fund's ability to meet its pension obligations								Involvement in the procurement work and the Pool's governance work	Pension Fund Strategist					
					3. Adverse publicity, reputational damage								Engagement with external advisers.	Pension Fund Strategist					
PEN 7	Financial	RT8	New arrangements agreed via ACCESS do not meet the needs of West Sussex Pension Fund	Director of Finance and Support Services	1. The fund is unable to implement it's ISS or choose best in class or appropriate managers.	5	3	15	Treat	5	2	10	Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.	Pension Fund Strategist	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.	5	2	10	Jun-21
					2. The fund takes on more risk than necessary								Involvement in the procurement work and the Pool's governance work	Pension Fund Strategist					
					3. The funding level of the fund reduces								Engagement with external advisers.	Pension Fund Strategist					
					4. Negative impact on officer time and resources								Regular review of the funds investment strategy	Pension Fund Strategist					
PEN 21	Partnership / Contractual / Supplier	RT9	Contractual requirements not met by investment managers	Pension Fund Strategist	1. Impairment of investment outcomes.	4	4	16	Treat	4	2	8	Regular communication with all contracting entities and foster good working relationships.	Pension Fund Strategist	Strong contract management. Compliance with procurement requirement and standing orders for provision of services to the Fund.	4	3	12	Jun-21
					3. Breach in legislation								Service levels set out clearly in contract and monitored	Pension Fund Strategist					
					3. Poor provision of financial data provided to Pension Fund Team resulting in poor audit opinion								Maintain and manage contract register.	Finance Manager - Pension Fund Governance					
PEN 22	Partnership / Contractual / Supplier	RT9	Contracts expiring or becoming invalid	Finance Manager - Pension Fund Governance	1. No valid legal agreement in place with suppliers	3	3	9	Treat	3	2	6	Maintain and manage contract register.	Finance Manager - Pension Fund Governance	Strong contract management. Compliance with procurement requirement and standing orders for provision of services to the Fund.	3	2	6	Jun-21
					3. Breach in legislation								Engaging with procurement and legal to ensure compliance	Finance Manager - Pension Fund Governance					
					3. Breach of County Council Standing Orders														
					4. Potential challenge from suppliers.														
PEN 41	Partnership / Contractual / Supplier	RT9	Partnership expectations not met in delivery of administration	Head of Finance	1. Failure to deliver high quality admin service to all stakeholders	4	3	12	Treat	4	2	8	Regular review through partnership meetings	Pension Fund Strategist	Strong contract management. Compliance with procurement requirement and standing orders for provision of services to the Fund.	4	2	8	Jun-21
					2. Processes and procedures do not ensure that the Fund receives income due								Close working between teams.	Pension Fund Strategist					
					3. Processes and procedures do not ensure that payments are made correctly and timely														
					4. Failure to account appropriately														
PEN 17	Political	RT10	Brexit and associated changes bring about changes to policy and legislation not anticipated in plans.	Director of Finance and Support Services	1. Adverse impact on investment markets.	3	3	9	Tolerate	3	3	9	Keeping up to date with Government progress	Pension Fund Strategist	Work closely with investment managers, other suppliers and advisers to understand potential impacts and responses. Implement and monitor the Training Strategy.	3	3	9	Jun-21
					2. Delay in guidance from government on aspects of legislation including matters outside of the exit arrangements.								Liaising with Fund Managers.	Pension Fund Strategist					

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PEN 23	Political	RT10	Role of government policy on the management and benefits of the Scheme.	Head of Finance	1. Changes in legislation	4	4	16	Tolerate	3	4	12	Keeping up to date with Government progress	Pension Fund Strategist	Work closely with investment managers, other suppliers and advisers to understand potential impacts and responses. Implement and monitor the Training Strategy.	4	4	16	Jun-21
						2. Changes to benefit structure	Maintain links with experts and advisers.	Pension Fund Strategist											
PEN 24	Political	RT10	Change within County Council (roles and responsibilities).	Head of Finance	1. Change in policies at County Council level	3	2	6	Tolerate	3	2	6	Ensure policies and procedures in place are robust and evidence based	Finance Manager - Pension Fund Governance	Work closely with investment managers, other suppliers and advisers to understand potential impacts and responses. Implement and monitor the Training Strategy.	3	2	6	Jun-21
					2. Change in staffing structure	Ensure training policy in place	Finance Manager - Pension Fund Governance												
					3. Change in implementation of scheme														
					4. Change to Pension Committee members														
PEN 33	Governance	RT11	Conflict of interest between the County Council and the Fund	Director of Finance and Support Services	1. Advice and decisions taken in best interests of Council or Fund which may differ.	4	3	12	Treat	3	2	6	County Council to participate in Good Governance project from SAB and report back to Committee and Board	Pension Fund Strategist	Clearly defined roles and responsibilities for those working for the Pension Fund. Maintenance of Conflict of Interest policy and register by the County Council. Specific Pension Fund Conflict of Interest Policy will be required following implementation of SAB Good	3	3	9	Jun-21
					2. Employers do not understand the difference between the Council and the Fund	Be clear in requirements of the Fund and roles and responsibilities of all entities.	Pension Fund Strategist												
PEN 25	Governance	RT12	Increase in number of employers admitted to Fund	Pension Fund Strategist	1. Increase in the workload	3	3	9	Treat	3	3	9	Work planning to ensure new admissions are anticipated and communicated appropriately	Principal Pensions Consultant	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	3	3	9	Jun-21
					2. Delays resulting in impact on members and benefit payments	Clear processes in place for the monitoring of contributions	Finance Manager - Pension Fund												
					3. Additional complexity to be managed	Liaising with Actuary regularly to ensure employers are admitted appropriately	Principal Pensions Consultant												
PEN 26	Financial	RT12	Employers do not pay contributions, pay incorrect amount, pay contributions late or do not provide required information	Finance Manager - Pension Fund	1. Default by employers increasing obligation on the remaining employers in the Fund	3	2	6	Treat	2	1	2	Clear employer guide in place setting out responsibility of employers regarding provision of information and contributions	Principal Pensions Consultant	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.	2	2	4	Jun-21
					2. Increase in number of bonds/guarantees in place	Clear admin strategy that can be reported on so that issues can be dealt with at an early stage	Principal Pensions Consultant												
					3. Reporting to the Pensions Regulator	Regular monitoring and reconciliation of contribution payments received with clear escalation process	Finance Manager - Pension Fund												
					4. Benefits calculated incorrectly	Identify issues to relevant parties including the Fund Actuary	Principal Pensions Consultant												
					5. Employer contribution rates calculated incorrectly														
					6. Increased liabilities which are not funded														
PEN 34	Financial	RT12	Reliance on external payrolls (including outsourced providers)	Principal Pensions Consultant	1. Incorrect or insufficient information is provided by employers payroll providers	3	4	12	Treat	3	2	6	Provide clear guidance regarding what the requirements are for a payroll provider	Principal Pensions Consultant	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	3	3	9	Jun-21
					2. Contribution income and remittances are not received	Provide clear guidance regarding what an employers responsibilities are	Principal Pensions Consultant												
					3. Missing historical data due to changes in payroll providers														
PEN 35	Governance	RT12	Changes to employer circumstance	Principal Pensions Consultant	1. Delays in implementing changes	4	4	16	Treat	3	3	9	Liaise with employers regularly	Principal Pensions Consultant	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	3	4	12	Jun-21
					2. Reduced opportunity to manage the employers circumstances or exit.	Monitor active membership of all employers	Principal Pensions Consultant												
					3. Wrong contact information is held	Work with Actuary to ensure managed exits	Principal Pensions Consultant												
PEN 42	Governance	RT12	Delay to admissions of employers to the Fund	Principal Pensions Consultant	1. Members not admitted to the Fund in a timely manner	4	3	12	Treat	4	2	8	Work planning to identify new admissions.	Principal Pensions Consultant	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.	4	3	12	Jun-21
					2. Contributions not received on time resulting in increased workload to recover	Clear processes in place for the admittance of new employers	Principal Pensions Consultant												
					3. Inability to complete processes in a timely manner	Liaising with Actuary regularly to ensure employers are admitted appropriately	Principal Pensions Consultant												
					4. Delays resulting in impact on members and benefit payments														

Risk No	Risk Category	Risk Theme	Risk Description	Risk Owner	Risk Impact	Initial Risk Score			Risk Strategy	Target Risk Score			Risk Control/Action	Action Owner	Risk Update	Current Risk Score			Next Full Risk Review Date
						Impact	Likelihood	Score		Impact	Likelihood	Score				Impact	Likelihood	Score	
PEN 27	Technological	RT13	The Fund has a large amount of personal data for members and there is a risk that this information could be accessed fraudulently through cyber crime	Director of Finance and Support Services	1. The Fund suffers significant financial loss or cost.	4	4	16	Treat	3	3	9	Staff awareness of personal and business information security practices and identification of cyber-security issues including evolving threats.	Pension Fund Strategist	Strong IT environment for administration system and web-based Portals. Officers are taking appropriate advice in considering how risk can be managed/mitigated. Liaising with internal IT team and external administration team to understand procedures in the event of cyber attack.	4	4	16	Jun-21
													Have processes in place which assist with identifying cyber-attack early, that it is reporting & monitoring is effective, and recovery can be prompt.	Finance Manager - Pension Fund Governance					
													Robust arrangements in place with all data processors of the Fund's data	Finance Manager - Pension Fund Governance					
PEN 43	Governance	RT14	Fund not able to implement changes required as a result of McCloud judgement	Pension Fund Strategist	1. Not calculating members benefits in line with regulations	5	3	15	Treat	3	3	9	Project team set up by admin team	Pension Fund Strategist	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.	5	3	15	Jun-21
													Communication with employers letting them know requirements and to flag any issues	Principal Pensions Consultant					
PEN 44	Governance	RT14	Employers do not hold required information for the Fund to be able to complete the changes required as a result of the McCloud Judgement	Pension Fund Strategist	1. Not calculating members benefits in line with regulations	5	3	15	Treat	3	3	9	Project team set up by admin team	Pension Fund Strategist	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.	5	3	15	Jun-21
													Communication with employers letting them know requirements and to flag any issues	Principal Pensions Consultant					
PEN 45	Governance	RT14	Insufficient resources for the Fund to be able to complete the changes required as a result of the McCloud Judgement	Pension Fund Strategist	1. Not calculating members benefits in line with regulations	5	3	15	Treat	3	3	9	Project team set up by admin team	Pension Fund Strategist	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.	5	3	15	Jun-21
													Communication with employers letting them know requirements and to flag any issues	Principal Pensions Consultant					

Risk No	Risk Category	Risk Theme	Risk Description	Risk Owner	Risk Impact	Initial Risk Score			Risk Strategy	Target Risk Score			Risk Control/Action	Action Owner	Risk Update	Current Risk Score			Next Full Risk Review Date
						Impact	Likelihood	Score		Impact	Likelihood	Score				Impact	Likelihood	Score	
PEN 38	Financial	RT1	Increased employer risk including insolvency, cashflow, end of year and admissions	Pension Fund Strategist	1. Possibility of employers not paying contributions or paying reduced contributions for either resourcing or finance reasons	4	4	16	Treat	4	3	12	Communication with advisors to understand options regarding contribution regulations	Finance Manager - Pension Fund	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	4	3	12	Jun-21
					2. Possible impact on cashflow								Communication with employers so that they are aware of their options	Principal Pensions Consultant					
					4. Admissions may be delayed due to employers or the Fund not being able to sign paperwork								Implement cashflow monitor and projections	Finance Manager - Pension Fund					
					5. Members not being enrolled due to delays in admissions								Discuss options regarding admission and signing of documentation with advisors and Legal	Pension Fund Strategist					
					6. Employers exiting the Fund with little or no warning								Covenant review discussions	Finance Manager - Pension Fund					
					7. Employers unable to meet end of year deadlines which impacts on the production of Annual Benefit Statements								Regular contact with employers and admin team regarding expectation and timeframes	Principal Pensions Consultant					
PEN 40	Financial	RT1	Adverse impact on the pension fund investment portfolio and the Fund's cashflow.	Finance Manager - Pension Fund	1. Pressure on rental income as tenants request rent free/reduced rent periods while restrictions are in place and following the lifting of lockdown	4	4	16	Treat	3	4	12	Communication with Fund Manager to understand their approach	Pension Fund Strategist	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	3	4	12	Jun-21
					2. Risk of more overpayments due to increased number of deaths and delayed provision of information. This will increase the workload on the team.								Communication with admin team to ensure any peaks in work load are managed	Principal Pensions Consultant					
					3. Tax forms and agreements may be delayed due to not being able to sign paper which reduces the Fund's ability to reclaim the appropriate level of tax								Discuss with Legal and custodian the options for signing documentation	Finance Manager - Pension Fund Governance					
					4. Investment procurement could be impacted by restrictions								Forward planning of requirements	Pension Fund Strategist					
					5. Ability to make changes to investments may be impacted								Discuss options with investment advisors	Pension Fund Strategist					
PEN 36	Physical	RT2	Staff required to work at home for prolonged periods	Head of Finance	1. Personal circumstances (including health matters) prevent the completion of key work deliverables.	4	4	16	Treat	3	4	12	Regular meetings within the team and within the service. Put continuity plans in place for all key processes.	Pension Fund Strategist	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	3	4	12	Jun-21
					2. Team members feel isolated, disengaged or their wellbeing impacted								Formal and informal catch ups with team members. All team members required to keep up to date with latest corporate guidance	Pension Fund Strategist					
					3. Access to appropriate technology impacts on work deliverables.								Communications across the organisation to understand best practice	Pension Fund Strategist					
PEN 37	Physical	RT2	Staff or key contacts within partner organisations may become unwell	Pension Fund Strategist	1. Key work deliverables are not completed.	5	4	20	Treat	4	3	12	Regular meetings within the team and within the service. Keep list of priorities under constant review. Non essential work may be reduced or delayed	Pension Fund Strategist	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	4	3	12	Jun-21
					2. Key contacts (internal or external) may not be available								Understand business continuity plans and alternative contacts	Pension Fund Strategist					
					3. Members of the team may be asked to complete a task they are unfamiliar with								Put continuity plans in place for all key processes (including potential use of external parties).	Pension Fund Strategist					
PEN 39	Governance	RT2	Changes to standing orders and changing timeframes	Finance Manager - Pension Fund Governance	1. Deadlines for statutory pieces of work changed with little/no notice	4	3	12	Treat	3	3	9	Regular review of communication received from Government and CIPFA.	Pension Fund Strategist	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.	4	3	12	Jun-21
					2. Standing orders not being fit for purpose in current working environment								Communication across the service.	Pension Fund Strategist					
					3. Delay in signing documentation.								Review of standing orders and scheme of delegation.	Finance Manager - Pension Fund Governance					

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**Key decision: Not applicable
Unrestricted**

Pension Advisory Board

28 April 2021

Administration Performance

Report by Director of Finance and Support Services

Summary

Pension Administration services have been provided by Hampshire County Council since 4 March 2019.

100% compliance with the key performance indicators has continued.

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 its 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 March 2021 the Scheme had 81,023 members as analysed below. The movement is in part reflective of the data improvement work completed by the team over the last twelve months.

	31/03/2020	31/03/2021	Movement
Active	28,851	26,764	-7% (2,087)
Deferred	29,094	31,984	+10% (2,890)
Pensioners	21,603	22,275	+3% (672)
Total	79,548	81,023	+2% (1,475)

2 Administration Performance

Business as Usual Activity

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

Case Type	Quarter Total Cases	Quarter Completed on Time (%)	12 Month Total Cases	12 Month Completed on Time (%)
Active Retirement	118	100%	405	100%
Deferred Retirement	151	100%	667	100%
Estimates	172	100%	895	100%
Deferred Benefits	709	100%	2,947	100%
Transfers In/Out	29	100%	118	100%
Divorce	43	100%	153	100%
Refunds	92	100%	515	100%
Rejoiners	93	100%	333	100%
Interfunds	65	100%	278	100%
Death Benefits	128	100%	555	100%
Total	1,600		6,866	

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 Board met in February the breach with regards to the production of the 2020 Annual Benefit Statements has been investigated and has been considered by the Director of Finance and Support Services. The breach was classed as being of material significance (based on the cause, effect and response) and has been reported to the Pensions Regulator. The Regulator has reviewed the matter and advised that there will be no further action at this stage. The Fund is working closely with the administration team and employer to resolve issues which prevented fuller compliance with the disclosure requirements including further data improvement activity and robust end of year processes with employers.

4 Contribution Receipt

- 4.1 All LGPS Contributions are expected to be received by the Fund on the 22nd 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. See Appendix B.

5 Scheme Changes

- 5.1 The report on Scheme Changes considered by the Pensions Committee on 17 March 2021 has been included. See Appendix C.
- 5.2 The deadline for active employers to provide their data to support the remedial work following the McCloud judgement was 31 March 2021. The Fund will chase employers who have not complied. Officers are awaiting guidance from the Ministry of Housing, Communities and Local Government (MHCLG) as to what action to take for those employers who are unable to supply the data.

Status	No.
Provided relevant data	117
Requested Extension	14
No Response	71
Total	202

6 Complaints

- 6.1 The Fund's complaints procedure is published on its [website](#). Complaints received are investigated and responded to by Hampshire Pension Services on behalf of the Fund. All complaints are acknowledged within three working days and responded to within a maximum of 20 working days (although the team aim to respond within ten working days wherever possible).
- 6.2 Hampshire Pension Services report complaints received on a monthly basis to consider lessons learnt and any service improvements to be implemented.
- 6.3 The table below sets out the number and themes of complaints received within the last twelve months.

Complaint Theme	Number of Complaints	Lesson Outcomes	Complaint Response Time
Response times	1	Errors on records caused delay. Team member reminded of the importance of keeping members up to date of any delays.	11 Working Days
Error in pension figures	1	Team members asked to ensure that members are provided with an explanation of decrease in payment if relevant.	10 Working Days

Complaint Theme	Number of Complaints	Lesson Outcomes	Complaint Response Time
Delay in payment of retirement benefits	2	Delays caused by the employer not providing relevant forms In once case there wereFurther delay once information had been provided. Team reminded to keep member up to date of the situation, especially when there are delays.	Average 11 Working Days
Unhappy with greeting wording on the Member Portal	1	Standard wording from software provider (which is consistent with terminology used by other Authorities) and no current business need to request bespoke amendment. No further action taken.	2 Working Days
Loss of investment with AVC, following a transfer into the Scheme from another Local Authority	1	Legacy issue from the previous administrators. Current processes and adopted of a default AVC fund considered sufficient to mitigate a similar event arising. No further action taken.	8 Working Days

7 Member Portal Access

- 7.1 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.

- 7.2 Over the last 12 months, there has been a 10.4% increase in registrations. This is shown in more detail below. It is now mandatory for an employer to provide an email address for all new joiners as part of the new starter notification and members are encouraged to complete their retirement process online. These are likely to have contributed to the increase, alongside the promotion of the portal in all deferred letters and as part of the Annual Benefit Statement publications.

	31 March 2020 Number	% of population	31 March 2021 Number	% of population
Active	8,258	28.3	13,090	48.9
Deferred	3,599	12.5	6,578	20.7
Pensioner	1,401	6.5	2,224	10.0
Total	13,258	16.7	21,892	27.0

8 Other options considered (and reasons for not proposing)

N/A

9 Consultation, engagement and advice

N/A

10 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.

11 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)
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.

12 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 A - Administration Performance Previous 12 Months (1 April 2020 to 31 March 2021)

Appendix B – Contribution Receipts Previous 12 Months (1 March 2020 to 28 February 2021)

Appendix C – Scheme Changes

Background papers

None

Administration Performance Previous 12 Months (1 April 2020 to 31 March 2021)

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

	Q1 2020/21	Q1 2020/21	Q2 2020/21	Q2 2020/21	Q3 2020/21	Q3 2020/21	Q4 2020/21	Q4 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
Active Retirement	85	100.0%	73	100%	129	100%	118	100%	405	100%
Deferred Retirement	198	100.0%	160	100%	158	100%	151	100%	667	100%
Estimates	209	100.0%	279	100%	235	100%	172	100%	895	100%
Deferred Benefits	594	100.0%	920	100%	724	100%	709	100%	2,947	100%
Transfers in / out	24	100.0%	31	100%	34	100%	29	100%	118	100%
Divorce	32	100.0%	41	100%	37	100%	43	100%	153	100%
Refunds	138	100.0%	135	100%	150	100%	92	100%	515	100%
Rejoiners	107	100.0%	62	100%	71	100%	93	100%	333	100%
Interfunds	81	100.0%	56	100%	76	100%	65	100%	278	100%
Death Benefits	145	100.0%	143	100%	139	100%	128	100%	555	100%
Total	1,613		1,900		1,753		1,600		6,866	

The table below shows work in progress as at 31 March 2021. 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	Cases in progress Total
Active Retirement	12	6	1	0	0	0	19
Deferred Retirement	24	9	0	1	0	0	34
Estimates	48	21	4	3	2	5	83
Deferred Benefits	51	96	87	50	0	0	284
Transfers in / out	4	3	1	0	2	0	10
Divorce	4	6	3	0	0	0	13
Refunds	9	3	0	0	0	0	12
Rejoiners	10	5	4	0	2	0	21
Interfunds	12	6	5	0	0	2	25
Death Benefits	35	6	3	0	0	3	47
Total	209	161	108	54	6	10	548
Toal to 31/12/20	114	160	131	60	88	20	573

Contribution Receipts Previous 12 Months (1 March 2020 to 28 February 2021)

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

It should be noted:

- None of the late payments in the last quarter are repeat offenders.
- All relevant payments have now been received.
- There has been some revision to the total number of employers in prior months due to a formula error found in the contribution log.

	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	12 Mth
Late	2	4	1	1	1	1	2	3	0	2	2	2	2
On time	196	193	196	196	190	193	192	201	205	204	204	205	200
% Late of Active Employers	1.0%	2.0%	0.5%	0.5%	0.5%	0.5%	1.0%	1.5%	0.0%	1.0%	1.0%	1.0%	0.87%
Average Days Late	25	19	8	79	12	31	12	7	0	22	5	6	26
Total Amount Overdue (£)	15,278	35,927	651	5,195	2,024	1,054	1,627	79,858	0	116,760	8,226	20,112	24,450
% Late of total contributions	0.14%	0.33%	0.00%	0.50%	0.20%	0.00%	0.01%	0.64%	0.00%	1.00%	0.07%	0.17%	0.21%

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Pensions Committee

17 March 2021

Scheme Changes

Report by Director of Finance and Support Services

Summary

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

The Committee received a report in January 2021 updating the position on the Restriction of Public Sector Exit Payments Regulations 2020. On 12 February the government issued the Exit Payment Cap Directions 2021 which disapply parts of the Restriction of Public Sector Exit Payments Regulations 2020 in England with immediate effect. As a result the £95k exit cap no longer applies and LGPS Administering Authorities must pay qualifying scheme members an unreduced pension. The West Sussex LGPS had not reduced any member benefits as a result of the £95k exit cap Regulations whilst in force.

Recommendations

- (1) To note the update.
-

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 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 There are no updates on the work associated with the rectification work to draw the Committee's attention to.

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.
- 3.2 The Committee received an update when it met in October 2020 and January 2021 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 placed an overall cap on the value of public sector exit payments at £95k. This applied to all public sector employees in the LGPS (and the unfunded public sector schemes).
- 3.3 On 12 February the government issued Directions to disapply these Regulations referring to 'unintended consequences'.
- 3.4 On 25 February 2021, the Restriction of Public Sector Exit Payments (Revocation) Regulations 2021 were made and laid before parliament. They will come into force on 19 March 2021.
- 3.5 No members within the West Sussex LGPS received reduced benefits as a result of the Exit Payment Regulations.
- 3.6 MHCLG has also confirmed that the changes to the LGPS compensation regulations, which were released for consultation in September 2020 have also been closed and there will be no further changes made to LGPS pensions or redundancy terms without a further, separate consultation
- 3.7 It is anticipated that the government will legislate again to deal with "unjustified exit payments".

4 Unpausing of the Cost Mechanism

- 4.1 The Government Actuary's Department is currently awaiting Directions from HM Treasury in order to carry out the 2016 cost cap valuations (which impact benefits accrued from 1 April 2019). Similarly, the 2020 cost cap valuations are also likely to be delayed.

5 Discrimination on the grounds of sexual orientation (Goodwin)

- 5.1 There are no updates on the Goodwin remedy to draw the Committee's attention to.

6 Consultation, engagement and advice

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

7 Finance

- 7.1 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.

8 Risk implications and mitigations

- 8.1 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.

9 Policy alignment and compliance

- 9.1 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

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Background papers

None

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**Key decision: Not applicable
Unrestricted**

Report to Pension Advisory Board

28 April 2021

Regulations and Governance Update

Report by the Chairman of the Pension Advisory Board

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.

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:

February Bulletin 206 containing articles on the exit payment cap being disapplied from 12 February 2021 and a new technical guide covering non-Club transfers out.

Annual update Mach 2021 Bulletin 207 containing the rates and bands that apply from April 2021 for various purposes.

March Bulletin 208 containing articles on exit payment reform and tiered contribution rates.

2.2 Full details of these are available on the LGPC website (www.lgpsregs.org) under "LGPC Bulletins". Other changes or potential changes to the regulations are addressed in the Administration report on the agenda.

3. Scheme Advisory Board/MHCLG outstanding issues

3.1 Inevitably, the impact of the COVID-19 pandemic has slowed progress on a number of regulatory and guidance matters. Furthermore, it would appear that MHCLG has a 'build-up' of regulatory matters requiring their attention but do not have sufficient resources to deal with them.

3.2 The SAB has not met since the last PAB meeting and their next meeting is scheduled for 10 May. There are therefore no further developments to report. Information about their past meetings and other issues is available on their website (www.lgpsboard.org). However, it is worth monitoring issues currently in process.

Good Governance Review – The proposals in the final report from Hymans Robertson were agreed by the SAB on 8 February together with a work plan. Further progress will depend on the response from MHCLG to these proposals and the scope for regulatory and guidance changes.

Pooling arrangements – MHCLG issued an informal consultation in January 2019 which was subsequently withdrawn for revision following a significant amount of criticism and challenge. As it stands, there is no mandatory guidance in place regarding the implementation of pooling, other than to report policy in the ISS. It is not clear when revised guidance will be issued.

Investment strategy guidance – Revised guidance on the preparation of the investment strategy statement is awaited following the Supreme Court judgement in favour of the Palestine Solidarity Campaign handed down on 29th April 2020. In broad terms, the position is that MHCLG can regulate how funds are invested through statutory regulations but cannot determine the choice of individual investments through guidance. It is not clear how MHCLG will progress this issue. The position is to some extent exacerbated by indecision over pooling guidance and issues about responsible investment.

Responsible Investment guidance – SAB issued guidance on responsible investment which included their views on the meaning of ‘fiduciary duty’. This was heavily criticised and subsequently withdrawn. They are currently working on an on-line A-Z guide to responsible investing but without reference to fiduciary duty. It has been proposed by the SAB that revised guidance on governance should include some form of definition. It seems likely that there will be pressure on MHCLG to regulate on responsible investment and climate change in some way, although this may require secondary or even primary legislation.

Climate risk disclosure – The recent Pensions Schemes Act will require the largest occupational pension schemes to publish climate risk disclosures by the end of 2022 (£5bn + of assets) and by the end of 2023 (£1bn + of assets). This will mean that such schemes are legally required to assess and report on the financial risks of climate change within their portfolios. The requirements are to be regulated by tPR and failure to comply could be subject to mandatory penalty. It is not clear at this stage whether and how these requirements might be applied to LGPS funds, given that tPR does not have regulatory authority over LGPS investments. It is possible that this could be achieved through MHCLG guidance and it will be important to monitor the position.

The Act also contains new requirements, e.g. pensions dashboard, funding requirements, which may be applied to the LGPS. This would require extensive consultation but might be used to find solutions to the various investment related regulatory and guidance issues outlined above.

Changes to the local valuation cycle and management of employer risk – MHCLG published a partial response to last year’s consultation but it is not yet clear how the transition to quadrennial valuations will be managed or the implications for the cost cap mechanism.

- 3.3 All these issues and potential changes will impact upon the governance framework and timescales are likely to be truncated due to the loss of momentum during the pandemic. They will also further complicate the requirements for compliance, knowledge and understanding on both the Committee and the Board.

4. The Pensions Regulator

- 4.1 A draft of the new combined code of practice has been issued for consultation which concludes at the end of May. The draft Code cover five key areas:

- The Governing Body;
- Funding and investment;
- Administration;
- Communication and Disclosure;
- Reporting to TPR; and

contains 51 modules to replace 10 existing individual codes. The modules are topic based and interlinked, have a consistent style and a glossary, and are searchable.

- 4.2 From the Board's perspective, the main code replaced is Code of Practice 14 and it will be necessary to consider how the new expectations apply to the LGPS and the changes in compliance terms that will need to be addressed. It will be necessary to monitor compliance on a regular basis.

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

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Appendices

None

Background papers

None

**Key decision: N/A
Unrestricted**

Report to Pension Advisory Board

28 April 2021

Delivery of Communication Policy Statement

Report by Director of Finance and Support Services

Summary

The terms of reference for the Pension Advisory Board includes consideration of the effectiveness of communication with employers and members including the Communication Policy Statement 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 feedback on the communications presented at the meeting.

Proposal

1 Background and context

- 1.1 The Pension Fund maintains a [Communication Policy Statement](#) 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 Communications Policy Statement

- 2.1 The Communications Policy Statement has been published on [the Fund's website](#) following the Pension Advisory Board review on 26 February 2021.
- 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 February 2021 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	Full review of format and content for 2022 Pensioner newsletter	Annually (Feb)	02/2021	02/2022
Annual Benefit Statements	Feedback on template	Draft templates and sign off following WSCC feedback	Provide active and deferred benefit statements to all eligible members by 31 August 2021	Annually	09/2020	11/2021
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	02/2021	09/2021
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		Biannual	02/2021	09/2021
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	04/2021	07/2021
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.	Provide electronic payslips and P60's as a default, from June 2021, unless pensioner member opts out and elects for a hardcopy.	Ongoing		
Pensions Savings Statements	Feedback on template	Draft templates and sign off	Provide pensions savings statement to members who have exceeded annual allowance by the Statutory deadline.	Annually	11/2020	11/2021
Portal (Member and Employer)	Feedback on content/messages displayed	Maintain and update functionality / content as necessary.	Update/Amendments to functionality of Member Portal. Initial roll out to key employers of the Employer Hub by March 2021. Full roll out to remaining Employers by August 2021.	Ongoing	N/A	N/A

	WSCC's Role	Admin Team Role	Future Activity	How often it should be reviewed	Previous PAB review date	Next date for PAB review
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	04/2021	07/2021
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	04/2021	07/2021
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.	Employer training sessions took place On 23 February on IAS19 Reports which was well received and will be considered for future years. An email was sent to employers on 16 December 2020 and the annual return training took place on 25 March and 30 March where 50 employer representatives attended.	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. Emilymay03 Review when Annual review feedback provided.	Ongoing	N/A	N/A

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

Employer News

Four news articles were published in February and March 2021.

- [Stop Press – 95K Cap Revocation](#)
- [Stop Press – Employer Training](#)
- [McCloud Additional FAQ – March 2021](#)
- [LGPS McCloud Employer Data Capture](#)

Member news

One news article was published in February 2021.

- [Update – Revocation of the 95K Cap](#)

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**Key decision: Not applicable
Unrestricted**

Pensions Committee

17 March 2021

Investment Strategy Statement

Report by Director of Finance and Support Services

Summary

Local Government Pension Scheme (LGPS) regulations require administering authorities to prepare and maintain an Investment Strategy Statement ('ISS').

The Fund's Strategy has been revised in accordance with regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 'Regulations') and associated guidance and updates the Fund's position in relation to its strategic asset allocation, investment beliefs and the Committee's view on Responsible Investment.

The Statement was approved by the Committee when it met in October 2020 for consultation with stakeholders. The consultation with stakeholders completed in late January.

Responses received covered a number of matters, but the majority of comments focused on the divestment from fossil fuels which respondents considered presented a financial risk to the Fund.

It is not proposed that any substantive changes are made to the Strategy Statement as a result, but opportunity has been taken to make some minor revisions for consistency and clarity.

Recommendations

- (1) To approve the revised Investment Strategy Statement, reflecting amendments following the consultation with stakeholders.
-

Proposal

1 Background and context

- 1.1 The [Local Government Pension Scheme \(LGPS\) Regulations](#) require administering authorities to prepare and maintain an Investment Strategy Statement ('ISS') and that the authority invests, in accordance with its investment strategy, any fund money that is not needed immediately to make payments from the fund.

- 1.2 The Pension Fund’s [current Investment Strategy Statement](#) was published following approval by the Committee in July 2018.

2 Update

- 2.1 The Investment Strategy Statement was updated during the first part of the year following the completion of the Fund’s Asset Liability Modelling work and the considerations made by the Committee and its Task and Finish Group in relation to Responsible Investment.
- 2.2 At its meeting in October 2020 the Committee approved the Statement for consultation with stakeholders.
- 2.3 The Statement was shared with the Pension Advisory Board on 13 November 2020. The Board noted that the Statement was compliant with the necessary Regulations.
- 2.4 A consultation was launched on in December. All members where the Pension Fund holds an email addresses were notified, employers were contacted and asked to cascade the information to their active members in employers and the Fund’s investment managers were consulted. The consultation period ended in late January 2021.
- 2.5 The Fund received 77 responses from members (52), employers (3) and other interested parties (22).
- 2.6 Most respondents (57) were not satisfied with the strategy. The reasons for the feedback have been categorised below, along with the proposed response:

Feedback	Consideration
Active management does not represent value for money	<p>The Pension Fund has had a long-term belief in active management.</p> <p>As part of this the Committee are clear that they are seeking “high conviction active management” and has set performance targets to reflect this.</p> <p>Over the last ten years the Fund has returned 10.48% compared to a passive index return of 9.14%, an additional 1.34% after fees.</p>
Asset Allocation is incorrect in current climate, increase equities and provide more detail about implementation.	<p><i>The West Sussex Pension Committee believes that investing in a manner consistent with long-term sustainable outcomes is a core pillar of its fiduciary duty to its members.</i></p> <p>The Committee does not take short term tactical asset allocation positions relative to the strategic asset allocation. Its strategic asset allocation is based on advice from the investment advisers and actuary based on the Fund’s own liability and cashflow profiles.</p> <p>The Committee have taken the decision to reduce its equity exposure because of its</p>

Feedback	Consideration
	strong funding position. The strategy has now been developed to protect this – and reduce risk of deficits emerging.
The Fund should make ethical considerations which make positive impact and exclude specific companies (arms, tobacco, countries).	The Fund’s investment managers are signatories to national and international ethical frameworks including the UK Stewardship Code, Japan’s Stewardship Code, Investor Stewardship Group (ISG) Principles, European Fund and Asset Management Association (EFAMA) Stewardship Code and International Corporate Governance Network (ICGN) Principles. This supports the consideration of a range of issues when making decisions about investment, divestment and retention of companies.
The Fund should divest from fossil fuels	<p>The Committee has agreed that it will not pursue a direct policy of divestment from fossil fuels and supports a stance of engagement on this topic.</p> <p>The Strategy reflects the Committee’s support for investment opportunities commensurate with a low-carbon future and it is now actively working to implement this through the inclusion of additional objectives within its mandates, which recognise international treaties (such as the Paris Agreement) and committing to sectors / companies which are similarly aligned.</p> <p>This follows extensive consideration of the issue with industry experts</p>
The Fund should invest more in green energy	<p>The Committee welcome investment opportunities which deliver a positive and measurable societal and/or environmental outcome.</p> <p>As an example, the Fund has recently made a commitment to an infrastructure fund which has over USD 4bn invested in renewables businesses which generate > 6.5 GW of renewable energy capacity.</p>

- 2.7 Feedback was also provided about how to make the document clearer and more accessible, and these drafting changes have been incorporated. The revised Statement has been appended (Appendix 1) with changes marked against the version agreed by the Committee in October.
- 2.8 Following the Committee’s consideration of the Statement, officers will make steps to ensure that each aspect is implemented as appropriate.

3 Other options considered (and reasons for not proposing)

N/A

4 Consultation, engagement and advice

Hymans have provided advice on the management of assets and liabilities for the Fund via the investment strategy.

Aon have supported the Committee in considering responsible investment.

5 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Insufficient funds to meet liabilities resulting in increased contributions required from employers or changing to a higher risk investment strategy	The Committee have set a strategic asset allocation which is based on detailed advice from the Fund Actuary, Investment Consultant and Investment Adviser through the completion of Asset Liability Modelling work.
Political and/or employer pressure results in change to investment strategy resulting in the Fund being required to restrict Fund Manager investments and/or the Fund being challenged on fiduciary duty.	The Committee have taken appropriate advice in determining its approach to responsible investment and its investment strategy and on its responsibilities as a Pensions Committee.

6 Policy alignment and compliance

The Pensions Committee have an overall objective to minimise the long-term cash contributions which employers need to pay to the Fund. This will be achieved through recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return. The Investment Strategy Statement is designed to provide transparency in relation to how investments are managed.

Katharine Eberhart
Director of Finance and Support Services

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Appendices

Appendix 1 – Investment Strategy Statement

Background papers

None

Investment Strategy Statement



Introduction and Purpose

The County Council is the designated statutory body responsible for administering the West Sussex Pension Fund ("the Fund") on behalf of the constituent Scheduled and Admitted Bodies. The Council is responsible for setting investment policy, appointing suitable persons to implement that policy and carrying out regular reviews and monitoring of investments.

Responsibility and governance for the Fund, including investment strategy, fund administration, liability management and corporate governance is delegated to the West Sussex Pension Committee.

The Committee have an obligation to act as fiduciaries, safeguarding the interests of beneficiaries of the Scheme. Decisions must be taken in accordance with public law obligations, including the obligations of reasonableness, rationality and impartiality. The pursuit of appropriate risk adjusted return should therefore be the Committee's predominant concern but it may also take non-financial considerations into account provided that doing so would not involve significant risk of financial detriment to the scheme.

The Fund recognises that climate change is one of the material Environmental, Social and Governance (ESG) factors which pose a potential financial risk over the long term, and that it is important to consider the implications for the Fund of the challenges posed by climate change.

In this context the Fund seeks to integrate ESG issues throughout its investment decision-making process, from setting investment strategy to monitoring the Fund's investment managers – taking appropriate advice. The Committee expects that environmental, social and governance principles, including the transition pathway to a low carbon future, are considered at all times in the investment process.

This Investment Strategy Statement is considered an important document to provide transparency in relation to how investments are managed and complies with the requirements under The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 in respect of the need to publish a statement of the Pension Fund's investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

This Statement will be reviewed at least every three years and will be updated to reflect any substantive changes in the interim. The last formal review was at the [Pensions Committee meeting in ~~October~~ March 2020/2021]. This document has been prepared after taking appropriate advice.

Investment strategy and the process for ensuring suitability of investments

When considering its investment strategy, it is important to consider:

- a) The Regulations require that the Fund maintains as nearly constant employer contribution rates as possible and takes a prudent long-term view, and this is reflected in the Funding Strategy Statement.
- b) The objective to maintain affordability of the Fund to employers as far as this is reasonable, as set out in the Funding Strategy Statement.
- c) The Investment Strategy objective to meet pension liabilities as they fall due, maximising returns to keep the cost of new benefits accruing reasonable - while keeping risk within acceptable limits and contribute towards achieving and maintaining full funding.
- d) The Pension Committee's investment beliefs as set out in Appendix 1.
- e) The strong funding position and the desire to protect this – and reduce risk of deficits emerging.
- f) Future income requirements. Whilst the Fund is currently cash flow positive, as a maturing Scheme it should also identify sources of income in order to generate cash as the Fund requires and to avoid being a forced seller of assets to pay benefits.

In this context it is considered that a successful investment strategy is one which will maintain at least 2/3rds likelihood of being fully funded over 20 years and will maintain consistent employer contributions of around 18% of pay. This is consistent with the aims of the Fund's Funding Strategy Statement and informs the assumptions made by the Actuary for funding purposes.

The Committee have set a strategic asset allocation which is based on detailed advice from the Fund Actuary, Investment Consultant and Investment Adviser through the completion of Asset Liability Modelling work. The customised benchmark sets out the intended long-term weighting to various types of investment (or asset classes), such as growth, income focused and those asset classes which provide some protection:

Asset Type	Purpose
Growth	Generate returns in line with equities Provide liquidity for de-risking Keep contributions affordable
Income	Generate a reliable income providing additional cash flows if required Additional yield versus protection assets
Protection	Change value in line with liabilities Protect against movements in interest rates and inflation expectations Provide liquidity for re-risking Keep contributions stable

This strategic asset allocation is set out in more detail below.

Asset Type	Asset Class	Strategic Allocation	Geography	Currency
Growth	Listed Equity	50.0%	Diversified	Diversified
Growth	Private Equity	45.0%	Diversified	Diversified
Income	Direct property	10.0%	UK	GBP
Income	Infrastructure	5.0%	Global	Diversified
Income	Private Debt	5.0%	Global	Diversified
Protection	Bonds	30.0%	Diversified	Diversified

In the context of the table above it should be noted that whilst the Fund has a 0% allocation to cash, cash can be held by the Fund's investment managers (within ranges) and working balances are managed to pay benefits, cover invoices and fund private equity and direct property acquisitions.

The Fund's investment strategy will be reviewed at least every three years. However, it is not anticipated that significant changes will be made on a short-term basis.

If the funding level falls back to 90% the Pensions Committee will consider increasing the proportion of growth assets and/or raising the contribution rate target. Therefore, there is a need to maintain liquidity within the bond portfolios.

Risks

The principal risks affecting the Fund are set out in its Business Plan. However, risks relating to investments are summarised below:

Risk Theme	Mitigation	Rating
The Committee fail to adopt an appropriate investment strategy in response to the funding level falling below 90% funded	<ul style="list-style-type: none"> • Monitor, maintain & review the Investment Strategy Statement. • Monitor & review the investment managers which will ensure compliance with the performance and risk targets. • Ensure the Investment Strategy Statement compliments the Funding Strategy Statement. • Modelling work undertaken regularly. 	<p style="text-align: center;">● Green</p>
The Pension Fund does not provide a clear and suitable investment strategy for Fund managers to follow	<ul style="list-style-type: none"> • Strategic asset allocation adopted by the Fund Managers is considered by the Pensions Committee and the fund's independent adviser, with awareness of liquidity requirements. • Fund managers' performance is monitored quarterly against the performance of the fund-specific benchmark and the returns assumed in the actuarial valuation. • Investment Managers held to account at Committee meetings. • Performance against the Agreement is monitored. • Contractual requirements within the Investment Manager Agreements set out the required benchmark and targets. 	<p style="text-align: center;">● Green</p>
Contractual requirements not met by investment managers	<ul style="list-style-type: none"> • Regular communication with all contracting entities. • Service levels set out clearly in contract. • Service levels monitored regularly. • Complete contract manager register setting out who within the Pensions Team is responsible for managing contract day to day and routes of escalation. 	<p style="text-align: center;">● Green</p>
Pressure from employers results in change to investment strategy due to ESG factors	<ul style="list-style-type: none"> • Ensure active engagement by Fund Managers with companies in these areas. • Regular dialogue with Fund Managers regarding reasoning behind the stock being held. • Training for all decision makers regarding obligations and responsibilities. 	<p style="text-align: center;">● Amber</p>
<u>The introduction of asset pooling impacts on the Fund's ability to implement its investment</u>	<ul style="list-style-type: none"> • <u>Continued strong involvement in the work of the ACCESS Group at officer and at Fund Chairman level.</u> • <u>Involvement in the procurement work and the Pool's governance work</u> • <u>Engagement with external advisers.</u> 	<p style="text-align: center;">● <u>Amber</u></p>

<p><u>strategy successfully or the Administering Authority is considered to not comply with the relevant statutory guidance.</u></p>		
<p><u>Political environment (locally or nationally) impact on investment markets and legislative requirements.</u></p>	<ul style="list-style-type: none"> • <u>Ensure active engagement by Fund Mangers.</u> • <u>Training for all decision makers regarding obligations and responsibilities including guidance from the Scheme Advisory Board and others.</u> 	<p style="text-align: center;">● <u>Amber</u></p>

Approach to Responsible Investment

Investing for the Future

The Committee of the West Sussex Pension Fund (the 'Fund') believe that investing the Fund's assets in a manner consistent with long-term sustainable outcomes is a core pillar of the Committee's fiduciary duty to its members.

The Fund is a long-term investor with the primary aim to deliver financially sustainable returns to meet the future pension benefits of its members, by allocating across investment types whilst retaining an appropriate level of diversification and risk.

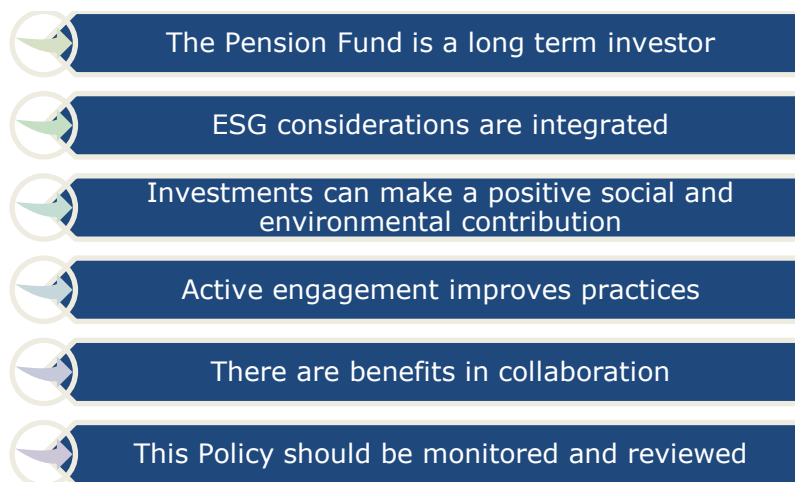
The Committee believe that acting as a responsible investor of the Fund's assets should be fully integrated into investment decision-making, and therefore seek to ensure that the Fund considers all aspects of responsible investment, from investment manager appointment and monitoring through to discharging the rights and responsibilities of asset ownership in order to encourage and promote high standards of governance and corporate responsibility in the underlying companies and assets in which the Fund invests, as this ultimately creates long-term value for the Fund and its beneficiaries.

This includes the need to manage Environmental, Social and Governance (ESG) issues that may be financially material to the Fund. As part of this the Committee recognises that:

- ESG risks and opportunities can be both long-term and short-term in nature. As part of an interconnected society, investing the Fund's assets in a particular way can lead to wider societal and environmental outcomes (whether positive or negative) and the way in which the Fund's assets contribute to this will be considered.
- In order to appropriately capture these opportunities and mitigate these risks, it is important that the Committee and the Fund's appointed investment managers embed ESG matters into their consideration of the Fund's strategy and the management of its assets on an ongoing basis.
- It is important to consider the appropriate nuances and differences which apply to differing asset types and taking appropriate expert advice. The Fund adopts a flexible approach to managing its investment strategy and asset allocation in order to ensure the strategy is robust from a risk and return perspective.

Principles and Implementation

The Committee have discussed and reviewed their beliefs relating to RI. The Fund's RI Beliefs and Principles are:



The sections below set out how these principles are applied in practice.

1 The Pension Fund is a long-term investor

Principle

The Fund is a long-term investor, with liabilities stretching out for decades to come. It therefore seeks to deliver long-term sustainable returns.

There is an opportunity to generate better expected returns by making decisions with a long-term outlook and within this the Fund recognises the relevance of ESG considerations when setting its investment objectives, undertaking ongoing monitoring, and assessing future risks.

The identification and management of ESG risks that may be financially material is consistent with the Fund's fiduciary duty to its members.

The Fund recognises that climate change is one of the material ESG factors which pose a potential financial risk over the long term, and that it is important to consider the implications for the Fund of the challenges posed by climate change.

Implementation Approach

The Fund has appointed third-party investment managers to manage the assets of the Fund according to set mandates. These mandates reflect long term performance expectations and require that appointed managers consider a number of factors – including financial – when making decisions about which companies to buy, sell and retain. Once an investment is made the Committee

expects managers to act as responsible owners and engage with the companies and assets invested in.

The Fund invests in physical properties via its appointed investment manager. Physical property is typically a long-duration asset, and commensurately is exposed to multiple ESG factors (such as energy efficiency; use of certain materials in the construction and/or refurbishment process; susceptibility to flood risk; etc). The Committee believe that understanding the characteristics of the Fund's property portfolio is fundamental in monitoring sustainability. The Committee will work with its appointed property investment manager to understand the portfolio's aggregate energy efficiency score and the benefits in setting of metrics and targets for improvements across the portfolio over time (such as waste management; energy consumption; etc). The Committee will review the Global Real Estate Sustainability Benchmark ('GRESB') score applicable to the mandate on an annual basis, and will engage with its manager should there be any deterioration in scoring.

With regard to climate change, the Committee has discussed the Fund's exposure to climate change risks and the desired approach to divesting from fossil fuels. This has included receiving details of the approach taken by other LGPS Constituent Authorities and pooling arrangements, along with maintaining currency with the actions of other employers participating in the West Sussex Scheme, including West Sussex County Council's policy direction and their ten-year plan to combat climate change (attaining carbon neutrality in 2030). In response:

- The Committee are supportive of the beliefs and endeavours of its participating employers including the County Council, acknowledging that climate change presents a systemic risk which has potential implications on a cross-asset class basis (and, thus, on the Fund's investments and ultimately its members and beneficiaries). As part of this the Committee welcome and seek investment opportunities commensurate with a low-carbon future.
- The Fund recognises that exposure to fossil fuel investments is one component of overall exposure to climate change risks, and acknowledges the importance of considering climate change risk holistically. The Committee has sought to take an approach which is appropriate in the context of the Fund's long-term investment objectives.
- At this time, the Committee has agreed that it will not pursue a policy of divestment from fossil fuels, and supports a stance of engagement on this topic. The Committee considers that pursuing an engagement-led approach allows the Fund, through the actions of its appointed investment managers, to be an active participant in supporting the transition to a low-carbon environment and encouraging the companies in which it invests to transform and adapt to meet the needs of a changing world. The Committee will monitor this area as it develops.

The Committee also recognise that climate change does not have implications only for the value of assets, but should be considered from an integrated risk management perspective in terms of the implications for the Fund's formal actuarial valuations, and the combined impact on the funding level of the Fund. As such, the Committee has considered input from its appointed actuarial adviser and considered tools which can illustrate the impact of climate change risks on the Fund's liabilities.

2 ESG considerations are integrated

Principle

The Fund seeks to integrate ESG issues throughout its investment decision-making process, from setting investment strategy to monitoring the Fund's investment managers – taking appropriate advice. The Committee expects that environmental, social and governance principles, including the transition pathway to a low carbon future, are considered at all times in the investment process.

Implementation Approach

Whilst the appointed third party investment managers are responsible for the day-to-day investment decisions, including undertaking voting and engagement activities on behalf of the Fund, the consideration of ESG issues are integrated into the Fund's appointment and agreements. All investment managers are required to provide a statement setting out the extent to which they take ESG considerations into account in their investment processes and have a continued dialogue with the Committee on the impact of their engagement activity to provide evidence of active ownership activities of investments held.

The requirement set out above includes the Fund's physical property portfolio. The Fund's appointed property investment manager is expected to engage proactively with its assets in order to improve their characteristics over time, in order to safeguard and enhance the value of the Fund's portfolio. These enhancements (such as reduced energy consumption; water efficiency) are positively linked to the Fund's aim to support long-term sustainable outcomes.

Agreements with investment advisers and consultants also set out the requirement that each considers and integrates ESG issues when providing investment advice. This means that the Fund takes full consideration of ESG issues as they relate to its strategic asset allocation, including the impact of ESG matters on differing asset types and where ESG issues could have a material impact on the value of the Fund's assets and the funds in which the Fund invests.

3 Investments can make a positive social and environmental contribution

Principle

The Committee welcome investment opportunities which deliver a positive and measurable societal and/or environmental outcome, combined with an appropriate level of financial return. Where such opportunities exist and are investable and appropriate for the Fund, the Committee's view is favourable where investment without financial detriment is possible (i.e. without compromising on financial returns).

Implementation Approach

The Committee recognise the recent judgement from the UK Supreme Court which permits Local Government Pension Schemes to apply non-financial considerations (such as ethical preferences) to investment decision-making, provided that there is no significant risk of financial detriment, and that the administering authority has good reason to believe that members would support the decision.

4 Active engagement improves practices

Principle

The Committee believe that the Fund has a duty to exercise its stewardship and active ownership responsibilities (such as use of proxy voting rights).

The Fund recognises that engagement and stewardship activity is applicable to all asset classes and is broader than the use of voting rights alone. Corporate engagement can deepen the knowledge of and confidence in those companies invested in, build relationships and collaboration with company management and allows our managers to, where necessary, drive corporate conduct on issues that protect and enhance the companies' long-term value.

Implementation Approach

The Fund seeks to exercise its influence through engagement with its investment managers (and consequently portfolio companies) as part of its stewardship duties to its beneficiaries.

The Committee have mandated that its appointed managers are proactive in their engagement and asset stewardship activity and encourage its appointed investment managers to actively engage with investee companies effectively by using its influence as a long-term investor to encourage positive behaviour and support improved practices.

5 There are benefits in collaboration

Principle

The Fund recognises that collaboration with other investors is a powerful tool to keep abreast of developments in this area and gives the potential for collective action to influence the behaviour of companies, policy makers and other industry stakeholders.

Implementation Approach

The Fund expects its managers to incorporate ESG issues into investment analysis and decision making, be active owners, disclose their activities and promote the PRI principles within the asset management industry.

The Fund's appointed investment managers participate in the Principles for Responsible Investment (PRI) initiative and GRESB.

The Fund also actively inputs into the ACCESS Pool's approach to Responsible Investing (RI) as this develops, to ensure that its objectives and approach to RI are supported via the ACCESS pooling arrangement and in order to explore how asset pooling can enhance the Fund's own approach to RI.

6 This Policy should be monitored and reviewed

Principle

The Fund recognises that transparency and disclosure is an important aspect of being a responsible investor, and is keen to communicate with its stakeholders regarding the actions it is taking. The Fund aims to be transparent and accountable by disclosing its RI policy and activity via the Fund's website. The Fund also recognises that our stakeholders are likely to have an interest in how the Fund's Responsible Investment objectives are enshrined through its investment strategy. Should stakeholders share their views with the Pensions Committee, these will be considered and discussed.

The Committee requires that its appointed investment managers provide information about their exposure to climate risks, voting, engagement and stewardship activity. Independent and objective views are sought by the Committee on its managers' capabilities and policies in this area on an annual basis.

Implementation Approach

The Committee will consider information from its appointed investment managers in relation to:

- Themes and particular issues which each are prioritising, and how each manager is exerting influence on behalf of the Fund and its members.
- 'Case study' examples of engagement outcomes.
- Annual PRI scores attributable to each fund manager
- Global Real Estate Sustainability Benchmark ('GRESB') scores for the Fund's appointed real estate fund manager,

The Committee will also consider an independent and objective view regarding the engagement capabilities of its appointed investment managers.

The Fund will:

- Welcome communications from the Fund's members relating to RI.
- Make the Fund's RI policy available to members and incorporate the RI policy into the way the Fund communicates and interacts with its members.
- Make the Fund's RI policy available online.
- Report on the Fund's progress and developments in the way it approaches RI matters through its Annual Report.

Approach to Asset Pooling

The Fund is part of the ACCESS Pool and intends to invest its assets through the ACCESS Pool as and when suitable pool investment solutions become available, based on the following considerations:

- That the Pool enables access to an appropriate solution that meets the objectives and benchmark criteria set by the Fund
- That there is a financial benefit to the Fund in investing in the solution offered by the Pool, should a change of provider be necessary.

The Fund intends to keep its property allocation and legacy private equity investments outside of the formal pooling arrangement proposed based on ongoing value for money, large one-off transition costs and illiquidity of these assets. Any asset that remains outside of the Pool will be reviewed at least every three years to determine whether the rationale remains appropriate and whether it continues to demonstrate value for money.

Appendix 1

Investment Beliefs

The Committee's beliefs are set out below:

- The Fund's investment strategy should be reviewed in conjunction with each actuarial valuation
- The Fund should ensure that Environmental, Social and Governance matters form a core part of any manager selection decision and should encourage its investment managers to engage with companies to drive positive change, reflective of a transition pathway to a low carbon future.
- Corporate engagement is preferred to exclusion of stocks from the Fund.
- The Committee has a preference for avoiding a large number of separate manager relationships.
- Fees and costs incurred within investment manager mandates are important though the emphasis is on achieving the best returns for the Fund net of fees.
- High conviction active management of the Fund's investments is expected to provide higher returns net of fees to the Fund over the long term than passive (index tracking) investment.
- The performance of active managers should be assessed over suitably long periods.
- As the Fund remains open to new members and employer covenants are generally strong, it is appropriate to take a long-term view when setting the investment strategy.
- There is expected to be a long-term risk premium to be earned from investing in equities, credit, property and illiquid assets, relative to government bonds.
- Illiquid investments should be considered where an attractive premium return is expected to be available, though the total allocation within the Fund will be limited.
- Local investments should be considered, though the risks and expected returns should be commensurate with comparable investment opportunities elsewhere.
- The level of risk within the investment strategy should be considered in conjunction with the funding position of the Fund. Different levels of risk may be taken at different funding levels.
- The Fund should take investment risk in order to meet its objective of stable and affordable contribution rates for employers.
- The Committee should not take short term tactical asset allocation positions relative to the strategic asset allocation.
- The Committee do not expect the Fund's managers to take substantial short-term tactical asset allocation positions relative to their benchmarks. Mandates will be defined accordingly.
- Well managed companies will produce superior returns for the Fund over the long term.
- The Fund should exercise its voting rights as fully as possible.

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Key decision: N/A
Unrestricted

Pension Advisory Board

28 April 2021

Policy Documents

Report by Director of Finance and Support Services

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.

3 Administration Strategy

- 3.1 The PAB last reviewed the Administration Strategy in 2019. It has been reviewed and amended to bring the document into line with items covered within the Hampshire County Council statement. Although this is reflecting current practice it is considered appropriate for the Administration Strategy to be sent to all employers. Employers are encouraged to communicate feedback on the Administration Strategy at any time.
- 3.2 The relevant regulations setting out the requirements for an Administration Strategy and the revised strategy are in Appendix B.

4 Privacy Notice

- 4.1 The Pension Fund Privacy Notice was last reviewed by PAB in July 2018. Officers have reviewed the notice in line with the Information Commissioner Office guidance. One sentence referring to data sharing agreements being in place with employers has been removed as such agreements are not legally required and all employers are bound by primary legislation in this regard.
- 4.2 The relevant regulations setting out the requirement for a Privacy Notice and the revised notice are in Appendix C.

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

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 – Administration Strategy
Appendix C– Privacy Notice

Background papers

None

Register of Pension Fund Policy Documents

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

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Appendix A

POLICY	Regulation	Importance	How often it should be reviewed	Previous PAB review date	Next date for PAB to review
Investment Strategy Statement	LGPS Regulations (Management and Investment of Funds) 2016	Statutory required	Every 3 years	Nov 2020	Nov 2023
LGPS Privacy Notice	Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679	Statutory required	Every 3 years		Apr 2021
Risk Register	The Pensions Regulator Code of Practice no.14	Highly recommended	Annually and as part of Business Plan		Apr 2021

Pension Administration Strategy

Introduction and Purpose

The County Council is the designated statutory body responsible for administering the West Sussex Pension Fund (“the Fund”) on behalf of the constituent Scheduled and Admitted Bodies. The Council is responsible for setting an Administration Strategy which sets out levels of performance which the Fund and its Scheme employers are expected to achieve in carrying out their Scheme function and will carry out regular reviews and monitoring of performance.

The Fund provides a high-quality pension service to members and employers, to ensure members receive their correct pension benefits. In this context, this Administration Strategy is considered an important document to provide transparency and sets out levels of performance which the Fund and its Scheme employers are expected to achieve in carrying out their Scheme function. Where information reveals problems in meeting the standards, the Fund will consult and work with its own officers or the relevant employers to improve compliance and performance levels by providing appropriate support, guidance, and training.

The performance standards set out in the Strategy do not override any statutory provision or requirement. If the Fund or Scheme employers fail to comply with any statutory requirements, the Fund will consider whether there has been a [relevant breach and take action as necessary](#).

This Strategy will be reviewed at least every two years and will be updated to reflect any substantive changes in the interim. The last review was in April 2021.

Levels of performance which the administering authority and its employing authorities are expected to achieve

The table below sets out the levels of performance which Scheme and the Fund are expected to achieve in carrying out their Scheme functions.

Task	Employer responsibility	Fund responsibility
Actuarial Valuation	Provide information in line with Year End Information requirements.	Provide necessary information to the Fund Actuary and publish the Actuarial Valuation report (which includes the Rates and Adjustment Certificate) by 31 March of the year following a valuation.
Additional Voluntary Contributions (AVCs)	<p>For new starters, notify the Fund or its AVC provider within 10 working days of receiving a request of a new AVC application.</p> <p>For contributions, pay relevant contributions to the AVC provider (or the Fund) by the 22nd of the month following their deduction in the format required by the AVC provider.</p>	<p>For employers who provide information directly to the AVC provider, new starters will be set up immediately following completion of the necessary information. For employers who provide information via the Fund, new starters will be set up prior to the next contribution upload.</p> <p>Contributions will be credited to a member account within 5 days of payment by the employer (or Fund).</p>
Annual Benefit Statements (ABSs)	Provide information in line with Year End Information requirements.	Publish ABS's online or as hard copy by 31 August each year.
Bulk Transfer	Notify as soon as it is anticipated that a bulk transfer is likely to take place	Determine process on a case by case basis.

Task	Employer responsibility	Fund responsibility
<p>Change in member details including move to 50:50 Section</p>	<p>Provide information by the end of the month in which the change occurs.</p> <p>For 50:50 Section move member into 50:50 Section from the next pay period after receiving the members request and provide an amendment form to advise of change to/from 50:50 section within 10 working days following the change</p>	<p>Update the member record to reflect the change within 15 working days of receipt of the relevant information.</p>
<p>Change of Payroll Provider</p>	<p>Notify the Fund of a change of payroll provider as soon as possible but no later than 20 working days before change.</p> <p>Submit individual 'Change of payroll provider' forms to the Fund for all transferring employees within 20 working days post transfer.</p> <p>Provide notification of new payroll numbers (if applicable) to the Fund within 20 working days post transfer.</p> <p>Complete a mid year return if date of change is not 1 April within 40 working days post transfer.</p>	<p>Update membership records within 15 working days, unless for an employer with more than 150 employees, where timescales will be on a case by case basis.</p>
<p>Communication</p>	<p>Distribute annual benefit statements and any other notifications to active members as requested by the Fund within 20 working days of receipt.</p>	<p>Provide communication in lien with the Communication Policy Statement.</p>

Task	Employer responsibility	Fund responsibility
Contributions (Payment)	<p>Deduct all member and employer contributions at the correct rate and make payment electronically by 22nd of the month (or the last working day before where the 22nd is not a working day) following the month the contributions relate to.</p> <p>Submit a bespoke remittance advice form electronically in advance of the payment.</p>	<p>Allocate all contributions submitted by the employer to their respective income codes and reconcile the total contributions paid on a monthly basis.</p> <p>Write to all employers within 10 working days of the notification from Government to ensure that any changes to the contribution rates are communicated.</p>
Contributions (Refund)	<p>Refund contributions through the payroll to any employee who opts out of the scheme with less than 3 months membership from the next pay period after receiving the employee's request to opt out</p> <p>Provide the Fund with a copy of the opt out form within 10 working days following the end of the month in which the employee left.</p>	<p>Where a member is entitled to repayment of contributions (where a member has more than three months but less than two years membership) make payment within 15 working days of receiving all necessary information.</p>
Data Cleanse	<p>Where there are concerns about the accuracy of an employer's data, undertake a data cleanse exercise and make a declaration that they have fulfilled all of their requirements to notify the Fund of changes.</p>	<p>[NOTE: Placeholder. Fund targets to be included]</p>

Task	Employer responsibility	Fund responsibility
Data Retention	Keep a full pay history for the 13 years, ending 31 March, before the member leaves the Scheme	<p>Data will be retained for the greater of:</p> <ul style="list-style-type: none"> • such period as the member (or any beneficiary who receives benefits after the member's death) are entitled to benefits from the fund and for a period of 15 years after those benefits stop being paid • 100 years from the member's date of birth • 100 years from the date of birth of any beneficiary who received benefits from the fund after the member's death. •
Death Benefits	Where death in service, notification of a member's death and next of kin's details within 5 working days of the death of the member.	<p>Acknowledge in writing the death of a member enclosing claim forms to the informant or next of kin within 5 working days of being notified of the death.</p> <p>Supply survivor beneficiaries with notification of their entitlements within 15 working days of all the information being received.</p> <p>Pay any death grant due within 10 working days of receipt of all necessary paperwork to be able to produce the calculation (this includes Grant of Probate or Letters of Administration).</p> <p>In certain circumstances (e.g. hardship cases)) the timescale can be reduced.</p>

Task	Employer responsibility	Fund responsibility
Discretionary Powers	<p>Publish a policy in respect of exercising discretionary powers given by the LGPS Regulations.</p> <p>Advise the Fund of any changes to the discretions policy within one month of setting a policy and the changes taking effect.</p> <p>Provide annual confirmation of the discretions policy being reviewed.</p>	Apply the changes with immediate effect.
Divorce Estimates		Provide estimates/actuals for pension sharing within 15 working days of receiving all necessary information . Note the Fund's charging policy.
Enquiries made by members and employers		Respond to all enquiries within 5 working days . Where this is not possible notify the member or employer and keep the member updated.
Independent Medical Practitioner Appointment	<p>Provide details of its appropriately qualified independent medical practitioner to the Fund before admission.</p> <p>Notify the Fund of any changes within 10 working days.</p>	<p>Verify that the nominated independent medical practitioners is appropriately qualified to deal with ill health retirement cases within 10 working days of notification.</p> <p>Confirm the information at the time of an ill health retirement.</p>

Task	Employer responsibility	Fund responsibility
Leavers (excluding retirements/casuals)	Notify the Fund within 10 working days following the end of the month in which the employee was paid.	Issue a letter informing member of their deferred pension rights within 30 working days of receipt of all the necessary information.
Leavers (casuals)	Notify the Fund within 10 working days following the end of the month in which the employer is aware they have left or were last paid	Issue a letter informing member of their deferred pension rights within 30 working days of receipt of all the necessary information.
Leaver (Retirement)	Provide retirement notifications at least 20 days before an employee's retirement date.	<p>Calculate benefits due when a member leaves employment and send details to the member with 15 working days on receipt of all information needed to make the final calculation.</p> <p>Pay lump sums within 10 working days of the retirement date or of receipt of all necessary paperwork to be able to make the payment.</p> <p>Pay retirement benefits to pensioner on the next available pensioner payroll run.</p>
New Starter	<p>Provide the new starter notification within 10 working days following the end of the month in which the employee joined the LGPS.</p> <p>Ensure all new employees eligible to join the LGPS receive a copy of the Employee Guide to the Scheme within two months of becoming employed.</p>	Set up a member record and issue a Statutory notification within 20 working days of receipt of the new starter form.

Task	Employer responsibility	Fund responsibility
Outsourcing and TUPE	<p>Notify of any outsourcing arrangements which impact on employees eligible to the LGPS as soon as possible but no later than 20 working days before change.</p> <p>Where an admission agreement is required, to complete a data request and provide an undertaking of costs.</p> <p>Ensure admission agreement is finalised no later than date of transfer.</p> <p>Complete Part A of the TUPE form within 10 working days following the end of the month in which the transfer took place.</p>	Commission advice from the Fund Actuary and legal advisers as appropriate to approve an admission (if appropriate) no later than date of transfer .
Pension increase		Apply pensions increases annually to the relevant pensions in payment and deferred pensions in accordance with the Pensions Increase (Review) Order issued by the Government.
Retirement Estimates	Provide details required for completion of an estimate within 10 working days of the members' request. ¹	Provide the retirement estimate within 15 working days of receipt of accurate pensionable pay details from an employer. ² Note the Fund charges for estimates.

¹ Employers may consider a previous year's pay may be more beneficial to the member and should provide such information if necessary.

² In addition to online functionality.

Task	Employer responsibility	Fund responsibility
Transfers of members' pension rights outwards		Make payment of the transfer value within 15 working days of receipt of all necessary information.
Transfers of members' pension rights inwards		Calculate and process transfers of members' pension rights within 15 working days of receipt of all information.
Year End Information	<p>Provide annual information of the contributions paid by members in the year to 31 March each year in the notified format no later than 30 April.</p> <p>Respond to queries on the annual return raised by the Fund within 10 working days of receipt.</p>	<p>Request information and provide specification to employers no later than the end of the March.</p> <p>A reminder will be sent out 10 working days before the due date of 30th April.</p> <p>Raise reconciliation/initial template queries by 15th May (or within 2 weeks of late submissions).</p> <p>Raise post upload queries by 15th June (or with 2 weeks of late submissions)</p>

Charges

In line with its Funding Strategy Statement the administrative costs of running the Pension Fund are predominantly charged to employers through their contribution rate. However the following should also be noted:

- **Actuarial and Legal Fees:** Where additional actuarial or legal services are required by, or result from the decisions and actions of, the employer, the employer will be required to reimburse the Fund for the costs involved. Where appropriate, an estimate of these costs will be provided, and the employer's agreement obtained.
- **Estimates:** An employer can request up to two estimates for a member over a 12-month period. Subsequent estimates will be subject to a £100 administration fee. If an employer requires an estimate in less than three weeks, they may request an urgent estimate. The charge is £100 plus VAT and will be completed within five working days of the Fund receiving the request form.
- **Additional Administration Charges:** If additional and disproportionate resources are deployed by the Fund because of an employer's poor performance, the cost of the additional resources may be re-charged to the employer. Written notice will be given of the reasons for the re-charge, how the cost was calculated. In addition where the Fund incurs additional administration costs due to the pension implications of an Employer restructuring (e.g. outsourcing, creation of a company, change of legal status etc) a separate additional administration charge will be made. The charge will be based on estimated staff time and will be notified to the employer before any work is carried out.
- **Interest:** If the Fund incurs interest charges because of an employers failure to notify the Fund of the final retirement details in a timely manner the Fund may recharge to the employer the interest incurred on the late payment of the lump sum. Interest may also be charged on payments by employers overdue by more than 1 month (equal to the bank of England base rate plus 1%) except in exceptional circumstances.
- **TPR and TPO Costs:** Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by Fund, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.
- **Training:** From time to time, the Fund will offer training and support to employers through 'Employer Days' and workshops. There is no charge made to an employer for attending this event, however the Fund reserves the right to charge a late cancellation fee of £100 + VAT, where at least one week's notice has not been given of non attendance

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The Data Protection Act 2018 regulation 44.(1) states the controller (the County Council is the data controller for the Fund) must make available to data subjects the following information (whether by making the information generally available to the public or in any other way)—

- (a) the identity and the contact details of the controller;
- (b) where applicable, the contact details of the data protection officer;
- (c) the purposes for which the controller processes personal data;
- (d) the existence of the rights of data subjects to request from the controller—
 - i. access to personal data
 - ii. rectification of personal data
 - iii. erasure of personal data or the restriction of its processing

LGPS privacy notice

Privacy notice specifically about the County Council administration of the Local Government Pension Scheme (LGPS).

This privacy notice explains:

- how personal information is obtained
- what it is used for
- who it might be shared with and why
- how long it is kept.

This privacy notice is specifically focused on how the West Sussex LGPS collects and retains data. It may be read in conjunction with the main [WSSCC Privacy Notice](#).

Personal and special category data

The categories of personal data we process and hold include:

- contact details, including name, address, phone numbers and email address
- identifying details, including date of birth and National Insurance number
- information relating to your benefits in the fund, including length of service or membership and salary
- other information relating to your membership of the fund or to enable us to calculate or pay benefits, for example bank account details
- information about your family, dependants or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on your death
- information about a criminal conviction if this has resulted in you owing money to your employer or the fund, and the employer or fund may be reimbursed from your benefits
- information concerning sensitive ([special category](#)) personal data, such as health information, for example to assess eligibility for benefits payable on ill health.

Data Controller

West Sussex County Council (WSSC) complies with the [Data Protection Act](#) and the [General Data Protection Regulation](#) (GDPR). It is registered as a 'Data Controller' with the Information Commissioner's Office (Reg. No. Z6413427).

You can find details for the WSSC Data Protection Officer (DPO) on the WSSC [Privacy Policy](#).

We ensure that your personal data is accurate, processed fairly and lawfully, kept secure and retained for no longer than is necessary.

The legal basis for processing personal data

Processing is necessary to:

- satisfy our legal obligations as the administering authority of the fund
- carry out a task in the public interest or in the exercise of official authority in our capacity as a public body
- administer and manage the fund and liabilities under it, calculating, securing and paying benefits and performing our obligations and exercising any rights, duties and discretions the administering authority has in relation to the fund for legitimate interests
- meet our contractual obligations in relation to the fund (for example, under an agreement that you will pay additional voluntary contributions to the fund), or to take steps, at your request, before entering into a contract.

The legal basis for processing special category data

Extra protections apply under the data protection legislation for this category of data. For details, see the Information Commissioner's website.

We will only process this data with your consent, unless we can lawfully process this data for another reason permitted by that legislation.

You have the right to withdraw your consent to the processing at any time by notifying the County Council in writing.

How we obtain personal data

We obtain data from:

- you directly
- your current or past employer(s), such as salary information
- a member of the fund (where you are or could be a beneficiary of the fund as a consequence of that person's membership of the fund)
- other sources, such as public databases (such as the Register of Births, Deaths and Marriages), our advisors and government or regulatory bodies, including those organisations set out below.

How we use your personal information

We use personal data specifically to:

- contact you
- assess eligibility for, calculate and provide you (and, if you are a member of the fund, your beneficiaries upon your death) with benefits
- identify your potential or actual benefit options
- allow alternative ways of delivering your benefits, for example, through the use of insurance products and transfers to, or mergers with, other pension arrangements
- obtain statistics for financial modelling and reference purposes (for example, when we assess how much money is needed to provide members' benefits and how that money should be invested)
- comply with our legal and regulatory obligations as the administering authority of the fund
- address queries from members and other beneficiaries and to respond to any actual or potential disputes concerning the fund
- manage the fund's liabilities, including the entering into of insurance arrangements and selection of fund investments
- enable the sale, merger or corporate reorganisation or transfer of a business by the employers that participate in the fund and their group companies.

Who we share your information with

From time to time we will share your personal data with third parties, including our contractors, advisors, government bodies, and dispute resolution and law enforcement agencies and insurers. We do this in order to comply with our obligations under law, and to help us provide services and carry out our duties, rights and discretions in relation to the fund.

Occasionally, we may provide some of your data to your employer for the purposes of enabling your employer to understand its liabilities to the scheme. Your employer would generally be a controller of the personal data shared with it in those circumstances.

We will share your information with the fund's professional advisers, [Hymans Robertson LLP](#). The advisers provide actuarial, benefits and governance consultancy, and investment advice, analytics and assessments to the administering authority. When providing actuarial services, Hymans acts as a data controller.

Your data will also be shared with [Club Vita LLP](#). Clubs Vita provide longevity (life expectancy) analytics and related information for the purpose of helping us manage the fund's liabilities.

Hymans Robertson LLP and Club Vita LLP may appoint service providers or sub-processors to help in the provision of their services.

We may also pass data to:

- internal departments, such as legal services, internal audit and the WSCC Records Office
- central government, such as the Cabinet Office, Department for Work and Pensions and HM Revenue and Customs (if a member's family opts to participate in the [Tell Us Once service](#))
- other third-party organisations, as allowed by law
- our appointed external auditor and legal advisors
- our appointed Additional Voluntary Contribution Providers, if you have made an application
- the Pensions Ombudsman
- the Pensions Regulator
- those who assist with discharging our duty to protect the public funds we administer in the prevention and detection of fraud, including the [National Fraud Initiative](#) and the [Disclosure of Death Registration Information \(DDRI\)](#) and [General Register Office \(GRO\)](#) databases
- other LGPS pension funds in England, Wales and Scotland.

We will not share data with third parties for marketing purposes.

If your data needs to be transferred outside the European Economic Area, we will make sure that an appropriate level of protection is in place.

How long we keep your personal data

We will not retain personal data for longer than is necessary for the purposes for which it was collected. Data about current and previous members is held in order to enable the administration of pension services for those members, to meet statutory obligations and to prevent, detect and monitor crime.

To ensure correct payments of benefits personal data will be retained for the greater of:

- such period as the member (or any beneficiary who receives benefits after the member's death) are entitled to benefits from the fund and for a period of 15 years after those benefits stop being paid
- 100 years from the member's date of birth
- 100 years from the date of birth of any beneficiary who received benefits from the fund after the member's death.

Your rights

See WSCC Privacy Policy for more [information on your rights](#).

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	18-Feb-21	26-Feb-21	25-Mar-21	23-Jun-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	CIPFA Local Pension Board Spring seminar	ACCESS Training	AON - Pension Regulators Singular Modular Code &	CIPFA LPB Annual Event
	Online	Online	Online	Online	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	Pension Scams
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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