

# Public Document Pack

**Tony Kershaw**  
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5 November 2021

## **Pension Advisory Board**

A virtual meeting of the Board will be held at **9.30 am** on **Monday, 15 November 2021**.

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

**Items 1 to 13 in Part I of the agenda will be available to watch via the internet at the address below. Items 14 to 18 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**

#### **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 - 8)**

To confirm the part I minutes of the meeting of the Board held on 26 July 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. **Pension Advisory Board Membership**

The Constitution for the Pension Advisory Board concerning membership terms is as follows:

'The term of office for employer and scheme member representatives is four years and will be on a phased basis. This can be extended following reselection up to a maximum of three terms. Reselection will be at the invitation or discretion of the Chairman, with advice from the Director of Finance and Support Services and the Director of Law and Assurance.'

The Board are asked to note that the Chairman has agreed to re-appoint Tim Stretton as a representative for a second 4 year term.

5. **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.

6. **Progress Statement**

There are no outstanding issues for consideration.

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

The Board is asked to note the confirmed Part I minutes from the meeting of the Pensions Committee on 21 July 2021 and the agenda from the meeting of the Pensions Committee on 25 October 2021.

(a) **21 July 2021 - Part I Pensions Committee Minutes** (Pages 9 - 12)

(b) **25 October 2021 - Pensions Committee Agenda** (Pages 13 - 16)

8. **Business Plan Update** (Pages 17 - 34)

Report by the Chairman of the Pension Advisory Board.

The Board is asked to note the updates to the Business Plans of the Board and of the Pensions Committee.

9. **Administration procedures and performance** (Pages 35 - 48)

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

10. **Communication Strategy** (Pages 49 - 64)

Report by Director of Finance and Support Services.

The Board is asked to note the schedule of Communications drawn from the Communication Policy Statement and the feedback from employers at the Focus Group for future Pensions Matters. The Board is also asked to provide feedback on the Communications presented at the meeting

11. **Regulations and Governance update** (Pages 65 - 68)

Report by the Chairman of the Pension Advisory Board.

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

12. **Review of Pension Fund Policy Documents** (Pages 69 - 122)

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. **Date of Next Meeting**

The next meeting of the Board will be held at 9.30 am on Friday 11 February 2022.

**Part II**

14. **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).

15. **Part II Minutes of the last meeting** (Pages 123 - 124)

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

16. **Pensions Committee Minutes – Part II** (Pages 125 - 130)

The Board is asked to note the confirmed Part II minutes from the meeting of the Pensions Committee on 21 July 2021 (yellow paper).

17. **ACCESS Update** (Pages 131 - 140)

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

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

18. **Extract of Review of Pension Investment Performance from Pension Committee meeting on 25 October 2021** (Pages 141 - 148)

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

The Board is asked to note the report.

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

## **Pension Advisory Board**

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

Present: Peter Scales (Chairman)

Miranda Kadwell, Kim Martin, Becky Caney, Chris Scanes and Tim Stretton

Apologies were received from Richard Cohen

Also in attendance: Alistair Rush (Deputy Director of Finance), Vickie Hampshire (Finance Manager (Pension Fund – Governance)), Tara Atkins (Principal Pensions Consultant (Administration & Employers)), Judith Shore (Democratic Services Officer) and Andrew Lowe (Head of Pensions, Investments and Borrowing) (minute 7).

### **Part I**

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

1.1 The Chairman welcomed Board members to the meeting, and also to the public watching the webcast. The public were encouraged to read the detailed reports online to assist with understanding the meeting. The Chairman thanked the officers for the good quality of the papers.

1.2 None declared.

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

2.1 Resolved – That the minutes of the meeting of the Board held on 28 April 2021 be approved as a correct record and signed by the Chairman.

#### **3. Progress Statement**

3.1 The Board noted that there were no outstanding issues.

#### **4. Pension Advisory Board Terms of Reference**

4.1 The Chairman referred to the Regulations and Governance Update item on the agenda and the section on holding virtual meetings, and that this did not require an amendment to the Terms of Reference.

4.2 Resolved – That the Board notes its Terms of Reference.

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

5.1 The Board considered the unconfirmed part I minutes from the 17 March 2021 Pensions Committee meeting and the Agenda from the 21 July 2021 Pensions Committee meeting (copies appended to the signed minutes).

- 5.2 The Board noted that the minutes had been confirmed at the 21 July 2021 Pensions Committee meeting with no amendments.
- 5.3 The Board noted the queries raised by the Pensions Committee and that issues previously raised by the Pensions Advisory Board were being pursued by the Committee.
- 5.4 Resolved – That the minutes and agenda are noted.

## **6. Business Plan Update**

- 6.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).
- 6.2 The Chairman introduced the report and noted that lack of progress in the Board's activity plan was due to waiting for matters/guidance to be developed by Pension Scheme Advisory Board, the Pensions Regulator or the Government. Otherwise, the plan was on schedule.
- 6.3 It was confirmed that all members of the Pensions Committee, the Board and council officers are expected to complete the on-line Academy training in time for the next meetings in autumn. The Chairman advised he had completed this training and this will be reflected in the next monthly report.
- 6.4 It was also confirmed that the training strategy highlighted that Pensions Committee members are required to undertake the same training as Board members.
- 6.5 Resolved – That the Business Plan updates of the Board and the Pensions Committee are noted (and that the Training Strategy is included as a separate document).

## **7. Administration procedures and performance**

- 7.1 The Board received a report by the Director of Finance and Support Services from the 21 July Pensions Committee meeting (copy appended to the signed minutes).
- 7.2 Tara Atkins introduced the report and summarised the key points.
- 7.1 It was confirmed that –
- 99.97% of the deferred annual benefit statements were now complete; only eight records had yet to be finalised so the team was ahead of target.
  - the team had now commenced work with regard to the active members; just over 97.5% complete.
  - McCloud data collection requirements – subsequent to undertaking annual returns work, the team was now working on these requirements.
  - Member portal registrations – total registrations to-date reported, rather than current registrations.
  - Next report will also include quarterly and annual complaints and compliments

- The Data Improvement Plan closed on 31 March 2021 was specific to the transfer of the pension fund. Ongoing data improvement is business as usual.
- 7.4 The Board commented that the pension calculator on the on-line portal was very useful.
- 7.5 Resolved – That the Board noted –
- the update with particular attention to the work associated with end of year returns and the publication of Annual Benefit Statements to members; and
  - the approach agreed by the Director of Finance and Support Services in relation to receipt of a Voluntary Scheme Pays election.

## **8. Communication Strategy**

- 8.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).
- 8.2 Tara Atkins introduced the report and advised that an employer focus group was scheduled for later in the month and the results of the review of employer newsletters would be shared with the Board.
- 8.3 The pre-recorded presentation of the AGM would be sent to Board members.
- 8.4 Resolved – That the Board notes the schedule of Communications drawn from the Communication Policy Statement.

## **9. Regulations and Governance Update**

- 9.1 The Chairman introduced his report (copy appended to the signed minutes).
- 9.2 Resolved – That the Board noted the current issues relating to Scheme regulations and Governance.

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

- 10.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).
- 10.2 Vickie Hampshire introduced the report and confirmed that the accounts, including some minor amendments concerning net assets, were due to be considered by Regulation, Audit and Accounts Committee in September and will then be included in the Annual Report. Also, that minor amendments, including to some of the performance figures, were anticipated but this would not affect the compliance requirements.
- 10.3 The Board commented that -
- The summary of the Annual Report was useful and could help to make annual comparisons.

- If Members can be advised when the information is available on-line, it may encourage more to sign up to the portal.
- Partial non-compliance with the CIPFA guidance does not equate to non-compliance with the regulations; in some areas the guidance can't be met in full due to its applicability.

10.4 Resolved – That the Board notes the register of policy documents.

## **11. Date of Next Meeting**

11.1 The Board–

- Noted that its next scheduled meeting would take place on Monday 15 November 2021 at 9.30 a.m.
- Asked that next year's meetings are more evenly timetabled throughout the year.

## **12. 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.

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

The Board agreed the Part II minutes of the 28 April 2021 meeting and they were signed by the Chairman.

## **14. Pensions Committee Minutes – Part II**

The Board noted the contents of Part II minutes from the 17 March 2021 Pensions Committee meeting.

## **15. ACCESS Update**

The Board considered the report by the Director of Finance and Support Services from the 21 July 2021 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 10.34 am

Chairman



## **Pensions Committee**

21 July 2021 – At a meeting of the Pensions Committee held at 10.30 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Hunt (Chairman)

Cllr Baxter, Cllr Condie, Cllr J Dennis, Cllr Elkins, Cllr Urquhart, Mr Kipling and Ms Taylor

Apologies were received from Cllr N Jupp and Mr Donnelly

### **Part I**

#### **1. Membership**

1.1 The Committee noted the County Council Member appointments to the Committee as confirmed at the County Council meeting on 21 May 2021.

#### **2. Declarations of Interests**

2.1 Cllr Elkins reported that he was no longer on the Littlehampton Harbour Board and asked for this to be updated on future agendas.

2.2 No declarations were made.

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

3.1 Resolved – That the Part I minutes of the Pensions Committee held on 17 March 2021 be approved as a correct record, and that they be signed by the Chairman.

#### **4. Pensions Committee Terms of Reference**

4.1 Resolved – That the Committee noted its terms of reference.

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

5.1 The Committee considered the confirmed Part I minutes from the 26 February 2021 Pension Advisory Board meeting; and the Agenda from the 28 April 2021 meeting (copies appended to the signed minutes).

5.2 Resolved – That the minutes and agenda be noted.

#### **6. Pension Fund Annual Report**

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

6.2 Katharine Eberhart, Director of Finance and Support Services, introduced the report and confirmed that as of 31 March 2021 the fund was 123% funded which was a strong position. Officers were working with employers to improve timely reporting.

6.3 The Committee made comments including those that follow.

- Welcomed the addition of a summary page to the annual report.
- Queried if greenhouse emission data could be added to show the direction of travel for the fund. – Rachel Wood, Pension Fund Strategist, explained that carbon reporting was a developing area and that Ministry of Housing, Communities & Local Government (MHCLG) was due to advise on expectations. This would influence next year's report. The Committee felt that fund managers should be asked to report on this as it would be useful to monitor.
- Asked if the Private Debt was considered a material issue in the audit. – Rachel Wood confirmed that it was not material, it was a timing issue in the provision of reports, which was consistent with industry practice.

6.4 Resolved – that the Committee approves the draft annual report.

## **7. Business Plan**

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

7.2 Rachel Wood introduced the report and highlighted that the training strategy was included as an appendix. The Hymans LGPS Online Learning Academy (LOLA) was highlighted, for which Committee members were required to complete by October.

7.3 The Committee made comments including those that follow.

- Queried the risk for work priorities due to vacancies. – Rachel Wood confirmed that the recruitment was scheduled for October/November and that the following the change in fund administration it was a good time to review the team.
- Asked about the deadlines for McCloud. – Rachel Wood reported that there was a two/three year deadline. Data collection work was ongoing and that clarity was being sought from MHCLG on process.
- Sought clarity on training recommendations. – Rachel Wood explained that agenda items now included reference to the relevant training on the Hymans LGPS Online Learning Academy (LOLA). The Committee members were required to complete all Hymans LGPS Online Learning Academy (LOLA) modules by October.
- Queried if completion of the Pensions Regulator training programme was required. – Rachel Wood reported that discussions were taking place with Hymans Robertson to see if their Online Learning Academy completion was sufficient for the Committee. It was confirmed that the Pensions Advisory Board were required to complete both.

7.4 Resolved – that The Committee notes the updates on Business Plan activities for 2021/22; agrees the Training Strategy as set out in Appendix A; and notes the risk matrix for the Fund as set out in Appendix B.

## **8. Pension Administration Performance**

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

8.2 Katharine Eberhart introduced the report and confirmed that all employers had completed their annual returns. Work was continuing with McCloud and officers were awaiting receipt of statutory regulations to proceed. There had been no breaches requiring reporting to the Regulator.

8.3 The Committee made comments including those that follow.

- The Chairman reported that the Pension Advisory Board had requested that future reports include resolution outcomes and compliments received. – Rachel Wood confirmed this would be reflected.
- The Committee praised the performance of Hampshire Pension Services, particularly during the pandemic.
- Queried progress on the data improvement plan. – Rachel Wood confirmed that the current focus was on historic leaver forms which would be completed in October. The data improvement would then move into business as usual cleansing.
- Sought clarity on the Service Level Agreement (SLA) targets and if they were set at an appropriate level. – The Chairman reported that when the administration was transferred to Hampshire Pension Service the standard SLAs were used. The Committee had previously looked at the SLA levels and felt it was important to have realistic and acceptable targets. Rachel Wood added that officers were looking into benchmarks to see how the administration performance compared to others. Analysis on this could be provided when the work was complete. It was confirmed that in most cases that SLA targets were completed under the target threshold.
- Sought clarity on McCloud work and if return issues were linked to particular type of employer. – Rachel Wood confirmed that it was a range of employers and that individual conversations would be taking place to help with any difficulties.
- Queried if late payments were linked to a particular type of employer. – Rachel Wood confirmed that it was not a systemic issue.

8.4 Resolved – that the Committee notes the update with particular attention to the work associated with end of year returns and the publication of Annual Benefit Statements to members. The Committee also notes the approach agreed by the Director of Finance and Support Services in relation to receipt of a Voluntary Scheme Pays election.

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

8.1 The Committee noted that its next scheduled meeting would take place on 25 October 2021 at County Hall, Chichester.

## **10. 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.

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

The Committee agreed the Part II minutes of the Pensions Committee held on 17 March 2021.

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

The Committee noted the contents of the Part II minutes from the 26 February 2021 Pension Advisory Board meeting.

**13. Investment Strategy Implementation**

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

The Committee considered the report and noted its contents.

**14. ACCESS**

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

The Committee considered the report and noted its contents.

**15. 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 welcomed the advice.

**16. Presentation by Fund Manager**

The Committee received an update from a fund manager on the portfolio performance for the quarter.

**17. Presentation by Fund Manager**

The Committee received an update from a fund manager on the portfolio performance for the quarter.

The meeting ended at 2.35 pm

Chairman

**Tony Kershaw**  
 Director of Law and Assurance

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15 October 2021

## Pensions Committee

A meeting of the Committee will be held at **10.00 am on Monday, 25 October 2021 at County Hall, Chichester, PO19 1RQ.**

**Note:** In response to the continuing public health restrictions, there will be limited public access to the meeting. Public access to the Part I business on the agenda is by ticket only, bookable in advance via: [democratic.services@westsussex.gov.uk](mailto:democratic.services@westsussex.gov.uk).

**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 Arun District Council
- Cllr Hunt is a Member of the Chichester Harbour Conservancy
- Cllr Jupp is a Member of Horsham District Council and has a daughter who works for Blackrock

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 - 8)

The Committee is asked to agree the Part I minutes of the meeting of the Committee held on 21 July 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 28 April 2021 and the agenda from the meeting of the Pension Advisory Board on 26 July 2021.

(a) **28 April 2021 - Part I Pension Advisory Board Minutes**  
(Pages 9 - 14)

(b) **26 July 2021 - Pension Advisory Board Agenda** (Pages 15 - 18)

10.10 am 6. **Business Plan** (Pages 19 - 30)

Report by the Director of Finance and Support Services.

The Committee is asked to note the updates on Business Plan activities for 2021/22 and the risk matrix.

10.30 am 7. **Pension Administration** (Pages 31 - 44)

Report by the Director of Finance and Support Services.

The Committee is asked to note the update with particular attention to the work associated with the publication of Annual Benefit Statements and Pension Saving Statements to members.

10.50 am 8. **Date of the next meeting**

The next meeting of the Pensions Committee will be 10.00 a.m. 4 February 2022 at County Hall.

**Part II**

10.50 am 9. **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 10. **Part II Minutes of the last meeting** (Pages 45 - 50)  
 To confirm the Part II minutes of the meeting of the Committee held on 21 July 2021, for members of the Committee only (yellow paper).

10.55 am 11. **Pension Advisory Board Minutes - Part II** (Pages 51 - 52)  
 The Committee is asked to note the confirmed Part II minutes from the meeting of the Pension Advisory Board on 28 April 2021 (yellow paper).

11.00 am 12. **Investment Strategy Implementation** (Pages 53 - 68)  
 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 13. **Update from ACCESS Joint Committee activity (6 September 2021)** (Pages 69 - 78)  
 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.

11.55 am 14. **Review of Pension Investment Performance** (To Follow)  
 Paper by the Director of Finance and Support Services and Independent Fund Adviser summarising transactions and performance during the quarter and giving comments on the quarter, for members of the Committee only (yellow paper).

**Break for the Committee**

1.15 pm 15. **Presentation by Baillie Gifford**  
 The Committee to receive a presentation on portfolio performance over the period and on Baillie Gifford's investment style, investment processes and stewardship approach.

**To all members of the Pensions Committee**

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**Key decision: Not applicable  
Unrestricted**

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## **Pension Advisory Board**

**15 November 2021**

### **Business Plan Update**

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

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##### **Summary**

This report provides an update on progress in achieving the key tasks and activities for 2021/22. The business plan update report considered by the Pensions Committee at its meeting on 25 October is included for the Board to review how their Plan is progressing, developments in the training strategy, and any variations in the risks. The reports also provides an update on training for Pension Advisory Board members.

##### **Recommendations**

The Board is asked to note the updates to the Business Plans of the Board and of the Pensions Committee.

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##### **Proposal**

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

- 1.1 The Board agreed its Business Plan for 2021/22 on 28 April, and in line with their Terms of Reference, the Plan was agreed by the County Council's Governance Committee on 28 June.
- 1.2 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.
- 1.3 Progress in the current year must continue to be viewed in the context of the COVID-19 pandemic and the significant impact that has had on delaying progress on national governance initiatives which are a significant driver to the Board's business.

## **2. Business Plan update**

- 2.1 The Board has met virtually on a regular basis and will continue to do so until physical meetings become more practicable. While these arrangements have both advantages and disadvantages, the has become more used to working effectively this way over time.
- 2.2 On that basis, the Board has been able to maintain its schedule of core on-going work as set out in the Plan, and to keep abreast of developing issues. Some of the national initiatives held back from last year are now starting to emerge, albeit gradually, in consultations, draft guidance, and revised codes, and these are being monitored. A brief review of progress in delivering key tasks is set out in **Appendix A**
- 2.3 In past years, the Chairman has undertaken reviews with each Board member, with key officers, and with the chairman of the Pensions Committee. These take the form of written self-assessments combined with a face-to-face interview and will take place in January/February.

## **3. Pensions Committee Business Plan**

- 3.1 A copy of the Pensions Committee's update report to their meeting on 25 October is attached as **Appendix B**.
- 3.2 The Board's attention is drawn to:
  - The update of actions in section 2
  - The update on training and the training log in section 3, noting the progress on the Hymans LGPS Online Learning Academy training (LOLA)
  - The update on risks in section 4, noting the increase in risk from cybercrime to level red
  - The update on audit and controls in section 5

## **4. Training**

- 4.1 Maintaining knowledge and skills is a mandatory requirement for Board members and is assisted by the circulation of briefing papers, Committee/Board reports, and external links to national websites.
- 4.2 The Hymans LGPS Online Learning Academy training (LOLA) has been introduced as a baseline for training needs and Board members are aiming to complete all the modules by November.
- 4.3 The Board's training log is attached as **Appendix C**.

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

5.1 N/A

**6. Consultation, engagement and advice**

6.1 N/A

**7. Finance**

7.1 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.

**8. Risk implications and mitigations**

8.1 ***Failure to manage work efficiently and effectively*** – The circulation of information papers to replace the cancelled meeting and the use of virtual meeting arrangements has enabled the Board to continue to work as efficiently and effectively as possible.

8.2 ***Failure to account for activities and performance*** – updates to each meeting monitor performance and the end year position will be reviewed in the usual way.

**9. Policy alignment and compliance**

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

**Peter Scales**

Chairman of the Pension Advisory Board

**Contact Officer:**

Adam Chisnall, Democratic Services Officer, 033 022 28314

**Appendices**

Appendix A - Update on progress on Board's Business Plan

Appendix B - Pensions Committee's Business Plan Update

Appendix C - Pension Advisory Board training log

**Background papers**

None

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**Pension Advisory Board - Business Plan 2021/22**  
**Progress update on special activities and reviews**

Planned activity	Current progress
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**Business Planning and Performance**

Review of current Board operations in line with the Scheme Advisory Board's Good Governance Review proposals as a 'dry run'.	Firmer details of the proposed new requirements are still awaited. It is intended to undertake this review in 2022 when more detail is available.
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**Compliance checks**

Review conflicts of interest policy	To be reviewed when details of the new compliance requirements are known [both the Government (DLUHC) and the Pensions Regulator (tPR)]
Review the Pension Fund Annual Report and Accounts for content and compliance.	Reviewed at the meeting on 26 July

**Governance arrangements**

Review internal audit programme of work and assurances	Reviewed at 28 April meeting and at each meeting as part of Committee's Business Plan Update report
Review new tPR Combined Code for compliance requirements	Reviewed draft issued for consultation but uncertainties remain regarding application to LGPS. The new Code is now planned for the summer of 2022.
Review SAB proposals on future governance arrangements when made available	Reviewed proposals published for consideration by DLUHC – their response is awaited.

**Administration procedures and performance**

Monitor impact of Scheme changes on administration capacity	Monitored by Committee and Board at each meeting
Consider scope for inter-fund comparative indicators, including unit costs and service levels	Chairman undertaking initial research but pending DLUHC response to SAB governance proposals
Review arrangements for auto-enrolment and for growing membership	Information to new joiners noted
Review implementation of Data Improvement Plan	Now part of regular reporting.
Monitor work by internal audit	Part of business plan update from Committee
Review controls relating to cyber risk	Training undertaken

Planned activity	Current progress
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### Investment and funding

Review revised guidance issued by DLUHC on preparing the Investment Strategy Statement when available	Not yet available
Develop understanding of actuarial methods, standards and practices, and application to the valuation process	Part of Hymans LGPS Online Learning Academy (LOLA) modular training programme
Review revised SAB guidance on responsible guidance when issued	Reviewed first draft, subsequently withdrawn and replaced with A to Z. Further guidance expected from DLUHC.

### Communications

Monitor disclosure of information in line with statutory requirements, including annual benefit statements	Communications update now reported to each meeting.
Review newsletters for content and clarity	Pensioner newsletter reviewed but subject to Hampshire process
Review information provided on potential pensions/cyber scams	Initial review undertaken and awaiting further guidance from tPR. Training undertaken including new tPR module.

### Training

Undertake comprehensive refresher training	Hymans LGPS Online Learning Academy (LOLA) training started on 1 July with induction session. Board members expected to complete the modules by November.
Develop joint training with Pensions Committee	Joint training strategy now in process

**Key decision: Not applicable**

**Unrestricted**

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## **Pensions Committee**

**25 October 2021**

### **Business Plan**

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

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### **Summary**

The Pensions Committee approved its Business Plan for 2021/22 in March 2021, setting out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved. The following are noted as updates:

- Work continues implementing the investment strategy.
- 100% of deferred and 98% of active Annual Benefit Statements were published by the statutory deadline, reflecting continued improvements in service.
- Work on collecting data from employers to implement changes required because of the McCloud judgement continue - 186 of 212 completed service/break data sets have been received. Engagement with employers who have not provided returns continues.
- The Pension Fund's accounts were considered by the [Regulation and Audit Committee on 16 September 2021](#) at which EY advised that in their opinion the statements give a true and fair view of the fund's financial transactions, assets and liabilities as at 31 March 2021. The Pension Fund accounts will be signed once the County Council Accounts have been finalised.

In terms of risk:

- Two risks themes (contract management and knowledge and understanding) have increased from green to amber reflecting experience since the last meeting.
- One risk has increased from amber to red (cyber-crime) following the categorisation of the same risk within the County Council risk register and indicating the Fund's reliance on the County Council IT system.

### **Recommendations**

- (1) To note the updates on Business Plan activities for 2021/22 and the risk matrix (Appendix A).
- 

## **1 Background**

- 1.1 The Pensions Committee maintains a Business Plan which sets out its key priorities. The Pensions Committee's approach, historically, has been to review

its business plan in full annually at the start of the year and consider updates during the year. The 2021/22 Business Plan was agreed in March 2021. This sets out the aims and objectives of the fund over the coming year, how the objectives will be achieved, and the risks faced by the Fund.

- 1.2 This quarterly report provides an update 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. The report is also shared with the Pension Advisory Board.

## 2 Update on Business Plan Items

- 2.1 An update has been provided below:

2021/22 Actions	30 September 2021 Update
<p><b>Investment Strategy Statement:</b> Implement strategy and develop reporting and monitoring framework.</p>	<p>A detailed report has been provided to the Committee on the progress to implement its new investment arrangements and to provide additional information on the implementation of its approach to Environmental, Social and Governance matters. .</p>
<p><b>Changes required as a result of the McCloud judgement:</b> 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.</p> <p>Recalculations and possible restitution will form the next phase of the work.</p>	<p>186 of 212 completed service/break data sets from West Sussex employers have been received (representing 86% of the population who are likely to need remedy). All the initial data checks have been completed and queries sent to employers and the employers who have not yet returned their service/break data sets are being contacted on a weekly basis. A list of employers where the team have concerns about their ability to provide the data required will be provided for an escalation of the engagement.</p>
<p><b>2022 Valuation preparation:</b> Work with advisers to integrate employer risk framework into the 2022 valuation and future monitoring arrangements.</p>	<p>A project planning meeting has been planned for December 2021 with all parties. It is anticipated that employer meetings will be held by March 2022.</p>
<p><b>Communications:</b> 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.</p>	<p>Officers are working with Hampshire Pension Services to review employer communications, focusing on two areas, Pension Matters and the Employer section of the website. Proposed improvements will be worked on over the next six months.</p>



<b>2021/22 Actions</b>	<b>30 September 2021 Update</b>
<p><b>Data:</b> 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.</p>	<p>The team have published 100% of deferred and 98% of active Annual Benefit Statements (compared to the previous year 100% deferred and 95% active statements). This reflects a significant reduction in the number of data queries raised with employers during the end of year process (2021: 1,210 / 2020: 3,881 / 2019: 7,254).</p> <p>The team continue to work through outstanding historic leaver cases. The anticipated completion date has been moved to 31 December 2021, previously 31 October 2021.</p> <p>Preparation for and the 2022 Valuation will be critical to provide assurance on the completeness of this work. Data improvement work will then be considered as a Business-as-Usual activity with projects scoped as appropriate.</p>
<p><b>Robust Accounting:</b> Complete the Pension Fund's Statement of Accounts by the statutory deadline and work with the external auditors on their review.</p>	<p>The Draft Statement of Accounts were provided to the Fund's auditors, EY, on 18 June 2021. The audit is now complete. The accounts were considered by the <a href="#">Regulation and Audit Committee on 16 September 2021</a> at which EY advised that in their opinion the pension fund financial statements give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2021 and the amount and disposition of the fund's assets and liabilities as at 31 March 2021 and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. The Pension Fund accounts will be signed once the County Council Accounts have been finalised.</p>
<p><b>Annual Report:</b> 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.</p>	<p>The Annual Report was provided to the Committee for their comments and approval in July. It will be published once the Statement of Accounts have been signed off.</p>

<b>2021/22 Actions</b>	<b>30 September 2021 Update</b>
<b>Accounting System:</b> Officers will continue to work with the project team to ensure the accounting system is implemented.	Officers continue to engage on the implementation project.

### 3 Update on Training

- 3.1 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. The Constitution sets out that members of the Pensions Committee are required to acquire and maintain an appropriate level of expertise, knowledge and skills as set out by CIPFA in order to remain members of the Committee.
- 3.2 The Fund has purchased access to the Hymans LGPS Online Learning Academy (LOLA) for all Members of the Pension Committee, members of the Pension Advisory Board and officers. All members of the Committee and Board have been asked to complete the LOLA training before the October Committee meeting or November Advisory Board meeting as a baseline and reference to appropriate training has been included within the main agenda papers. The below shows modules completed up to 11 October 2021:

<b>Module</b>	<b>Intro (1)</b>	<b>Govern. (2)</b>	<b>Admin (3)</b>	<b>Funding (4)</b>	<b>Invest. (5)</b>	<b>Current Issues (6)</b>
Cllr Condie	Complete	Complete	Complete	Complete	Complete	Complete
Cllr Dennis						
Cllr Donnelly	In Progress					
Cllr Elkins	Complete	In Progress	In Progress	In Progress	In Progress	In Progress
Cllr Hunt	Complete	In Progress				
Cllr Jupp						
Mr. Kipling	Complete	Complete	Complete	Complete	Complete	Complete
Ms. Taylor						In Progress

<b>Module</b>	<b>Intro (1)</b>	<b>Govern. (2)</b>	<b>Admin (3)</b>	<b>Funding (4)</b>	<b>Invest. (5)</b>	<b>Current Issues (6)</b>
Cllr Turley						
Cllr Urquhart	Complete	Complete	Complete	Complete	Complete	In Progress

Note: Complete indicates that each subject within the module has been accessed and the assessment has been completed. In progress indicates that some or all the materials within the module have been accessed but the assessment is not yet complete. No entry indicates that the materials within the module have not yet been accessed.

- 3.3 Four members of the Committee have completed three of the LGA Fundamentals courses.
- 3.4 Five members of the Committee have attended at least one external webinar or conference this year.
- 3.5 Pension Advisory Board members completed all Pension Regulator’s Toolkit modules. Although this is a requirement for Board members, it is desirable that Committee members also complete the Toolkit to maintain parity with the level of training of the Board.
- 3.6 Key additional training for the Committee have been summarised below.

Internal

- October 2021 – Completion of LOLA modules
- November/December 2021 – The Actuarial Valuation process
- January 2022 – Employer Risk / Employer Management

External

- 12th October 2021 – LGA Fundamentals I (London or Virtual)
- 9th November 2021 – LGA Fundamentals II (London or Virtual)
- 2nd December 2021 – LGA Fundamentals III (London or Virtual)
- 18th November 2021 – SPS Local Authority Pension Funds Sustainable Investment Strategies (London)

#### **4 Update on Risks faced by the Fund**

- 4.1 A full risk register was provided to the Pensions Committee in March 2021. The update on risks by theme are attached (Appendix A). The following are highlighted:
- a) Risk Theme 9 (Failure to secure value for money through managing contracts with third parties) has increased from green to amber due to the increasing reliance on one contract with regards to investment management and there is limited provision to influence active management of this contract. Officers are actively working to put appropriate procedures in place to improve the situation.
  - b) Risk Theme 5 (Insufficient resources to comply with the Administering Authority's Regulatory responsibilities and ability to deliver the Business Plan) has been moved from an amber risk to green due to the temporary resource put in place to manage an internal vacancy and the adjustments to processes to ensure that vacancies within the wider finance team do not adversely impact reporting to the Actuary or Custodian or the reconciliation of contributions.
  - c) Risk Theme 12 (Cybercrime resulting in personal data for members being accessed fraudulently) has increased from amber to red to reflect the assessment of the risk on the County Council risk register and indicating the Fund's reliance on the County Council IT system.
  - d) Risk Theme 7 (Officer, Committee and Board knowledge and understanding resulting in poor decision making and disengagement on key issues) has increased from green to amber reflecting the limited amount of training undertaken up to mid-October. The Fund needs to be able to evidence the training undertaken to ensure continued 'Professional Investor' status as required under MiFID II and to comply with the Knowledge and Skill requirements as set out by CIPFA.

#### **5 Update on Audit and Controls**

- 5.1 Internal audit work should ensure that adequate internal controls are in place and operate effectively. To supplement its own audit framework the County Council receives internal audit reports from its administration provider, Hampshire County Council.
- 5.2 The County Council's internal audit team are undertaking a mapping exercise to determine further areas of audit focus (e.g., accounting for pension payroll, recoveries and contribution receipts, employer assets and cashflows, governance and investments). Audit work completed and planned for the year has been summarised on the following page:

Key area	Update
<p><b>Pensions, payroll and benefit calculations:</b> Annual review to provide assurance that systems and controls ensure that 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; and pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.</p>	<p>Audit work completed for 2020/21 providing a “substantial assurance” opinion. This reflects the sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. There were no suggested areas for improvement recommended.</p> <p>The audit for 2021/22 will be underway by 31 December 2021.</p>
<p><b>Pension Starters:</b> 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>The team have held the close of audit meeting and the final report is expected shortly. There were no matters of consequence raised in the close meeting.</p>
<p><b>National Fraud Initiative:</b> Full exercise undertaken October 2020 and completed within 6 months and to be undertaken again in October 2022.</p>	<p>The Cabinet Office’s National Fraud Initiative ran in October 2020. This project provides potential inappropriate payment because of a member being deceased. Of the 199 cases identified from this exercise the pensions administration team had suspended all pensions payments and so no overpayments had occurred.</p>

## 6 Consultation, engagement and advice

N/A

## 7 Finance

An allowance for the Fund’s administration expenses is included within employer contribution rates.

## 8 Risk implications and mitigations

N/A

## 9 Policy alignment and compliance

N/A

Katharine Eberhart

**Director of Finance and Support Services**

Agenda Item 8  
Appendix B

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**Appendices**

Appendix A – Risk Themes

**Background papers**

N/A

**Recommended Training**

Hymans LGPS Online Learning Academy – Module 2 – Business Planning

### Training Sessions Delivered at County Hall or Externally

	13-Nov-20	19-Nov-20	04-Feb-21	18-Feb-21	26-Feb-21	25-Mar-21	23-Jun-21	01-Jul-21	16-Sep-21	28-Sep-21
	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 & LGPS	CIPFA LPB Annual Event	WSCC LGPS Induction training	WSCC Financial Statement Briefing 2020/21	CIPFA LPB Autumn seminar - London
	Online	Online	Online	Online	Internal Online	Online	Online	Internal Online	Online	Online
Becky Caney	✓	✓	✓		✓	✓			✓	
Richard Cohen	✓				✓	✓			✓	
Miranda Kadwell	✓			✓	✓	✓	✓	✓	✓	✓
Kim Martin	✓				✓				✓	
Peter Scales	✓	✓		✓	✓	✓		✓	✓	
Christopher Scanes	✓							✓	✓	
Tim Stretton					✓					

**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
Becky Caney	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Richard Cohen	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Miranda Kadwell	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Kim Martin	Passed	Passed	Passed	Passed	Passed	Passed	Passed	
Peter Scales	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Christopher Scanes	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Tim Stretton	Passed	Passed	Passed	Passed	Passed	Passed	Passed	Passed



### LGPS On-Line Learning Academy

Module	Introduction (1)	Governance (2)	Administration (3)	Funding (4)	Investments (5)	Current Issues (6)
Becky Caney						
Richard Cohen	Complete	Complete	Complete	Complete	Complete	Complete
Miranda Kadwell						
Kim Martin	Complete	Complete	Complete	Complete	Complete	Complete
Peter Scales	Complete	Complete	Complete	Complete	Complete	Complete
Chris Scanes	Complete	Complete	Complete	In progress	In progress	In progress
Tim Stretton	Complete	Complete	Complete	Complete	Complete	Complete

Note:

- Complete indicates that each subject within the module has been accessed and the assessment has been completed.
- In progress indicates that some or all the materials within the module have been accessed but the assessment is not yet complete.
- No entry indicates that the materials within the module have not yet been accessed

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**Key decision: Not applicable****Unrestricted**

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**Pensions Committee****25 October 2021****Pension Administration****Report by Director of Finance and Support Services**

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**Summary**

As of 30 September 2021, the Scheme had 81,856 members.

Pension Administration services have been provided by Hampshire County Council since 4 March 2019. 100% compliance with key performance indicators has continued.

The Data Improvement Plan was closed with effect from 31 March 2021. The remaining historic leaver forms continue to be worked on and tracked each month. The completion of this work has been impacted due to staff changes. It is anticipated that it will complete by 31 December 2021.

In terms of key projects with the team, as of 30 September 2021,

- 100% of deferred member and 98.9% active member annual benefit statements had been produced by the team in compliance with the statutory deadline of 31 August.
- As of 30 September 2021, 186 of 212 data sets have been received to assist the team in completing updating membership records following the McCloud judgement.
- Following receipt of the annual returns, 1,210 data queries were raised. In line with last year, the team reviewed employer performance during the annual return process for timeliness, financial control, and data quality. No employers were rated red by the administration team across all categories. 87 employers were green across all categories.

**Recommendations**

- (1) The update is noted with particular attention to the work associated with the publication of Annual Benefit Statements and Pension Saving Statements to members.
-

## 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 West Sussex Pensions Team works closely with Hampshire County Council.
- 1.2 The Pensions Committee has a key objective within its Business Plan to build on the improvement journey in relation to the administration and 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 with clear communication and robust accounting and reports.
- 1.3 On 30 September 2021 the Scheme had 81,856 members as analysed below.

	30/06	30/09	Movement
<b>Active</b>	26,118	25,696	-1.6% (422)
<b>Deferred</b>	32,710	33,497	+2.4% (787)
<b>Pensioner</b>	22,427	22,663	+1.1% (236)
<b>Total</b>	<b>81,255</b>	<b>81,856</b>	<b>+0.7% (601)</b>

- 1.4 The administration team onboarded the pension administration for all members of the London Borough of Hillingdon Pension Fund, on 27 September 2021. They will onboard London Borough of Westminster on 8 November 2021. The administration team have recruited additional staff to cover the increase in work and have provided assurance that this will not impact the level of service that is provided to the West Sussex Pension Fund.

### 2 Administration Performance – Business as Usual Activity

- 2.1 The Administration Strategy sets out performance expectations for employers and the Administering Authority. The current performance of the Administering Authority against the 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.

<b>Case Type</b>	<b>Quarter Total Cases</b>	<b>Quarter Completed on Time (%)</b>	<b>12 Month Total Cases</b>	<b>12 Month Completed on Time (%)</b>
Active Retirement	147	100%	<b>495</b>	100%
Deferred Retirement	185	100%	<b>644</b>	100%
Estimates	663	100%	<b>1,553</b>	100%
Deferred Benefits	964	100%	<b>3,109</b>	100%
Transfers In/Out	37	100%	<b>136</b>	100%
Divorce	34	100%	<b>150</b>	100%
Refunds	127	100%	<b>473</b>	100%
Rejoiners	42	100%	<b>271</b>	100%
Interfunds	71	100%	<b>283</b>	100%
Death Benefits	100	100%	<b>463</b>	100%
<b>Total</b>	<b>2,370</b>		<b>7,577</b>	

- 2.2 For the last 20 months, the administration team have maintained 100% completion to the required performance levels in all areas.
- 2.3 The main Data Improvement Plan was closed with effect from 31 March 2021 following work on issues identified by the administration team following transfer. The remaining historic leaver forms continue to be worked on and tracked each month. As of 30 September, there are 601 historic leaver forms left to process. Resourcing has impacted the completion of this work by the original planned date of 31 October 2021. It is now anticipated that most of the work will be completed by 31 December 2021, when the residual cases will then be passed back to a Business as Usual (BAU) activity.

#### Contribution Receipt

- 2.4 All LGPS contributions are expected to be received by the Fund on the 22<sup>nd</sup> of each month following deduction. Most employers have adhered to this requirement. A clear escalation procedure is in place if an employer has consistently made late payments or not provided the relevant paperwork. The contribution monitor is included at Appendix B.

#### Promotion of Portal

- 2.5 LGPS members can register for a pensions account on the member portal so that they can see their Annual Benefit Statement online and access and update their personal details. It is now mandatory for an employer to provide an email address for all new joiners as part of the new starter notification process and the member portal is promoted in all letters to deferred members and promoted

as part of the Annual Benefit Statement process. Pensioner members can also view their payslips and P60s through their portal access. The member portal is promoted in all retirement letters and through the pensioner newsletter.

- 2.6 Since the Committee last met, officers have been made aware that the member portal registrations figures that have been being reported were inaccurate as the figures did not recognise members who have left the Scheme. The table below reflects the corrected figures and continues to show an increase in members registering on the portal.

<b>Status</b>	<b>30 April 2021</b>	<b>30 June 2021</b>	<b>30 September 2021</b>	<b>% of population registered</b>
<b>Active</b>	9,133	9,504	9,867	38.4%
<b>Deferred</b>	7,500	7,908	8,544	25.5%
<b>Pensioner</b>	3,616	4,083	4,519	20.0%
<b>Total</b>	<b>20,249</b>	<b>21,495</b>	<b>22,930</b>	<b>28.0%</b>

- 2.7 Employers can also register for access to a portal which allows them to submit data (including new starters and leavers) and run their own estimates for early retirements. The portal also includes validations prior to data being submitted to the administration team. It is anticipated that using the portal will streamline notifications from employers, improving consistency, accuracy, and compliance – and therefore improving the quality of data held by the Scheme. The table below summarises the registrations on the portal. The employers who are not currently registered are those with a low number of members.

<b>Status</b>	<b>13 October 2021</b>	<b>% of active membership coverage</b>
Employers with >1,001 members	2	57.99%
Employers with 11-1,000 members	98	37.83%
Employers with <10 members	36	0.61%
<b>Total</b>	<b>136</b>	<b>96.43%</b>

### **3 Administration Performance – Project Work**

#### Annual Benefit Statements

- 3.1 As at the 31 August deadline, 100% of deferred annual benefit statements and 98.9% of active annual benefit statements have been produced, as summarised below. Whilst some employers had notified members of the benefit statements being available, a wider communication from the team was sent on 30 September.

	<b>Deferred No.</b>	<b>Active No.</b>
<b>2021</b>		
Statements Required	31,966	26,764
Statements Produced	31,966	26,466
Statements Missing	-	298
Percentage of Statements Produced	100.0%	98.9%
<b>2020 Comparison</b>		
Statements Missing	18	1,404
Percentage of Statements Produced	99.9%	95.1%

- 3.2 For active members, most missing statements were due to outstanding annual return data from 71 employers. Officers are working with employers to resolve any outstanding issues, to allow for a statement to be produced. Further information about employer performance during the end of year process is included in paragraph 4.

#### Pension Saving Statements

- 3.3 As at the statutory deadline of 6 October 2021, 100% of Pension Saving Statements were produced. The statement is sent to members who are close to or have exceeded the annual allowance and shows the growth in a member's pension benefits in the Scheme and tests this against the annual allowance. The position is summarised below:

	<b>No.</b>
Statements required	33
Statements produced	33
Statements Missing	-
Percentage of Statements Produced	100%

#### McCloud Data Collection

- 3.4 Employers are statutorily required to provide extra data (hours worked and service breaks) for all members in the Scheme between April 2014 up to 31 March 2022 to allow the team to apply legislative changes to member benefits extending the underpin benefits to eligible younger members.
- 3.5 As of 30 September 2021, 186 of 212 data sets had been received to assist the team in completing updating membership records following the McCloud judgement. The team are in contact with those employers who have outstanding data sets to understand if there is any reason for the delay and encourage them to return the information requested as soon as possible.

#### 4 Employer Performance

- 4.1 To ensure the Scheme can carry out its administrative obligations required under the Regulations, timely and accurate information is necessary from scheme employers. This includes an annual return being provided which includes key member information (such as pay, service, contributions) and is used for the publication of the Annual Benefit Statements, funding valuations and the ongoing management of member records. In line with last year, the administration team have reviewed employer performance during the annual return process for timeliness, financial control, and data quality.
- 4.2 The definition of the performance categories is shown below along with the number of employers in each section:

	<b>Timeliness</b>	<b>Financial Control</b>	<b>Data quality</b>
<b>No issue</b>	176 returns were received before the deadline of 30 April  85% of employers	182 returns had no reconciliation issues  88% of employers	114 returns had no or very minor data quality issues (below 2% of active membership)  55% of employers
<b>Minor concern</b>	30 returns were received between 1 May and 31 May  15% of employers	19 returns had minor reconciliation issues and quickly resolved  9% of employers	56 returns had some data quality issues (between 2 and 5% of active membership)  28% of employers
<b>Significant concern</b>	1 return was received more than a month late  less than 1% of employers	6 returns had major reconciliation issues and/or slow/failed to respond  3% of employers	37 returns had major data quality issues (more than 5 queries or 5% of membership, whichever is higher) and/or slow/failed to respond  17% of employers

- 4.3 The following points are highlighted:

- The total number of data queries across all employers was 1,210 (against a total active membership of 26,208) which is 5% of total membership. This compares with 3,881 in 2019/20 and 7,254 in 2018/19 - showing a significantly improving trend.
- 39 employers are rated as having 'significant concerns' in one category. This compares with 67 in 2019/20 and 78 in 2018/19 – again showing a significantly improving trend.



- No employer was rated as having 'significant concerns' across all categories and 87 employers were given a 'no issues' status across all categories (42% of employers). This compares with 65 (33%) in 2019/20 and 54 (27%) in 2018/19.

4.4 The Pension Fund Strategist will write to all employers where 'significant concerns' on data quality was identified to request that they reconcile the data held by the Fund with their own records to highlight any potential issues prior to the 2021/22 End of Year work being undertaken. Larger employers will also be asked to complete this data validation exercise, due to the large volume of data involved. This will be particularly important given timescales associated with the actuarial valuation for 31 March 2022 data.

## 5 Complaints & Complaints

5.1 The administration team report complaints received monthly. This allows officers to consider lessons learnt and any service improvements to be implemented. The table below sets out the number and themes of complaints received within the quarter and the last twelve months (1 October 2020 to 30 September 2021).

<b>Theme</b>	<b>No. Complaints (Quarter)</b>	<b>No. Complaint (12 months)</b>
<b>Response Time</b>	1	2
<b>Error in pension figures</b>	-	1
<b>Delay in retirement benefits</b>	-	1
<b>Unhappy with cheque payment being stopped</b>	-	1
<b>Discrepancy between Member portal estimated figures and estimate received</b>	-	1
<b>Delay in set up of UPM record</b>	-	1
<b>Enrolment Complaint (Employer)</b>	-	1
<b>Unhappy with Children's Pensions amounts payable</b>	1	1
<b>Total</b>	<b>2</b>	<b>9</b>

5.2 The table below sets out the number of compliments received over the same period.

<b>No. Compliments (quarter)</b>	<b>No. Compliments (12 months)</b>
5	24

## 6 Breach Reporting

- 6.1 There are several 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.
- 6.2 Since the Committee met in July there has been two low risk data breaches reported, which have been logged through West Sussex County Council's IT Security Incident Report. The breaches were caused by a member's payslip being incorrectly included within the envelope of another member and 37 members data being sent to Hampshire County Council's internal pensions team, rather than the administration team. The causes of the incidents have been investigated. The move to electronic payslips reduces the risk associated with bulk mailings going forwards. Members of the team have been reminded not to use the auto populate function for an email address to assist with mis-directing emails.

## 7 Other options considered (and reasons for not proposing)

N/A

## 8 Consultation, engagement and advice

N/A

## 9 Finance

- 9.1 The Pension Fund continues to finance the data improvement work being completed by the administration team.

## 10 Risk implications and mitigations

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

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
<p>Poor quality data resulting in error and misstatement.</p>	<p>Implement and monitor the Data Improvement Plan to completion.</p> <p>Work proactively with administration team and employers as part of the end of year process.</p> <p>Maintain robust accounting records.</p> <p>Data improvement plan largely completed.</p> <p>Risk status to be reviewed following full Actuarial Valuation.</p>
<p>Increase in variety and number of employers participating in the Scheme resulting in risk</p>	<p>Clear Admission Agreements in place.</p> <p>Guidance published and reviewed relating to the Scheme requirements.</p>

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
of non-compliance with obligations.	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.
Cybercrime resulting in personal data for members being accessed fraudulently.	Strong IT environment for administration system and web-based Portals.  Officers are taking appropriate advice in considering how risk can be managed/mitigated.  Officers working with partners to codify arrangements.

## **11 Policy alignment and compliance**

11.1 The Pensions Committee has an overarching objective to build on the improvement journey in relation to the administration and 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**

**Contact Officer:** Tara Atkins, Principal Pensions Consultant, (0)330 222 8787, tara.atkins@westsussex.gov.uk

### **Appendices**

- Appendix A - Administration Performance Previous 12 Months (1 October 2020 to 30 September 2021)
- Appendix B – Contribution Receipts Previous 12 Months (1 September 2020 to 31 August 2021)

### **Background papers**

None

### **Recommended Training**

Hymans LGPS Online Learning Academy – Module 3 – Business Planning

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## Administration Performance Previous 12 Months (1 October 2020 to 30 September 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.

	Q3 2020/21	Q3 2020/21	Q4 2020/21	Q4 2020/21	Q1 2021/22	Q1 2021/22	Q2 2021/22	Q2 2021/22	12 Month	12 Month
	No on time	% on time	No on time	% on time	No on time	% on time	No on time	% on time	No on time	% on time
<b>Active Retirement</b>	129	100%	118	100%	101	100%	147	100%	<b>495</b>	100%
<b>Deferred Retirement</b>	158	100%	151	100%	150	100%	185	100%	<b>644</b>	100%
<b>Estimates</b>	235	100%	172	100%	483	100%	663	100%	<b>1,553</b>	100%
<b>Deferred Benefits</b>	724	100%	736	100%	685	100%	964	100%	<b>3,109</b>	100%
<b>Transfers in / out</b>	34	100%	29	100%	36	100%	37	100%	<b>136</b>	100%
<b>Divorce</b>	37	100%	43	100%	36	100%	34	100%	<b>150</b>	100%
<b>Refunds</b>	150	100%	92	100%	104	100%	127	100%	<b>473</b>	100%
<b>Rejoiners</b>	71	100%	93	100%	65	100%	42	100%	<b>271</b>	100%
<b>Interfunds</b>	76	100%	65	100%	71	100%	71	100%	<b>283</b>	100%
<b>Death Benefits</b>	139	100%	128	100%	101	100%	100	100%	<b>463</b>	100%
<b>Total</b>	<b>1,753</b>		<b>1,627</b>		<b>1,832</b>		<b>2,370</b>		<b>7,577</b>	

The table below shows work in progress at 30 September 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 undertaken as part of the historic leavers project, which forms part of the data improvement plan.

	Cases in progress 0-5 days from receipt	Cases in progress 6-10 days from receipt	Cases in progress 11-15 days from receipt	Cases in progress 16-20 days from receipt	Cases in progress 21-30 days from receipt	Cases in progress 31 + days from receipt	<b>Cases in progress Total</b>
<b>Active Retirement</b>	13	12	4	0	0	0	<b>29</b>
<b>Deferred Retirement</b>	73	13	1	0	1	0	<b>34</b>
<b>Estimates</b>	64	107	42	9	10	33	<b>265</b>
<b>Deferred Benefits</b>	25	188	45	58	84	11	<b>411</b>
<b>Transfers in / out</b>	1	1	2	0	0	2	<b>6</b>
<b>Divorce</b>	2	7	4	0	0	1	<b>14</b>
<b>Refunds</b>	10	9	1	0	0	0	<b>20</b>
<b>Rejoiners</b>	9	8	2	0	1	0	<b>20</b>
<b>Interfunds</b>	7	8	3	2	0	7	<b>27</b>
<b>Death Benefits</b>	5	5	0	5	6	11	<b>32</b>
<b>Total</b>	<b>155</b>	<b>358</b>	<b>104</b>	<b>74</b>	<b>102</b>	<b>65</b>	<b>858</b>

## Contribution Receipts Previous 12 Months (1 September 2020 to 30 September 2021)

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

All LGPS Contributions are to be received by the Fund on the 22nd of each month following deduction.

It should be noted except for one employer the employers showing as paying late are different. The one employer who is shown in multiple months as paying late was admitted in late March 2021, with contributions backdated to September 2019. All late payments have now been received.

	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	August	12 Mth Av.
<b>Total Active Employers</b>	201	204	205	206	206	207	207	207	207	206	205	206	<b>206</b>
<b>Employers paid on time</b>	199	201	205	204	204	205	206	200	205	205	202	204	<b>203</b>
<b>Employers Paid Late</b>	2	3	-	2	2	2	1	7	2	1	3	2	<b>2</b>
<b>Total Value of Late Payments (£)</b>	8,317	79,858	-	116,760	8,226	20,112	645	11,306	9,822	563	15,757	18,115	<b>N/A</b>
<b>Overdue Amount as % of total contributions</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	<b>0.0%</b>
<b>Number of Late payments still outstanding</b>	-	-	-	-	-	-	-	-	-	-	-	0	<b>N/A</b>
<b>Total Amount still overdue (£)</b>	-	-	-	-	-	-	-	-	-	-	-	0	<b>N/A</b>

As at 13/10/2021

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**Key decision: Not applicable  
Unrestricted**

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## **Pension Advisory Board**

**15 November 2021**

### **Communication Strategy**

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

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#### **Summary**

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

#### **Recommendations**

- (1) That the Board note the schedule of Communications drawn from the Communication Policy Statement
  - (2) That the Board note the feedback from employers at the Focus Group for future Pensions Matters
  - (3) That the Board feedback on the Communications presented at the meeting
- 

#### **Proposal**

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

- 1.1 The Pension Fund maintains a [Communication Policy 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 Communication Strategy**

- 2.1 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.

## **3 Employer Feedback on Pensions Matters and Stop Press Publications**

- 3.1 Appendix C shows the results of the employer survey carried out to obtain feedback from employers on the Pensions Matters (Employer Newsletter) and Stop Press (Ad hoc) communications sent out to employers throughout the year. This feedback will be used to further develop the communications going forward.

Katharine Eberhart

**Director of Finance and Support Services**

**Contact:** Tara Atkins, Principal Pensions Consultant, 033 022 28787

### **Appendices**

Appendix A - Description and Calendar of Communication Deliverables

Appendix B – Communications for the relevant period to include the Pension Saving Statement

Appendix C – Employer Feedback on Pensions Matters publication

### **Background papers**

None

The "Future Activity" column has been updated since the Committee met in July 2021. Other changes since the Board last met are highlighted as **bold** text.

	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	Current intention is to have <ul style="list-style-type: none"> <li>an initial meeting with employer by March 2022 to advise on the process and their role and to set out the outlook for the valuation.</li> <li>an update to employers at the AGM in July 2022</li> <li>results meetings with employers by November 2022.</li> </ul>	Triennially	N/A	N/A
Annual General Meeting	Lead	HCC provide an update on performance (HCC and Employer)		Annually	<b>N/A</b>	<b>07/2022</b>
Annual newsletter for pensioners	Feedback on template	Draft template and sign off following WSCC feedback	The team will undertake a full review of format and content for 2022 Pensioner newsletter following the decision to move to online publication only.	Annually	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 2022.	Annually	11/2021	<b>11/2022</b>
Early retirement scenarios costings as requested	Provide HCC with revised factors when required.	HCC calculate as per normal processes on receipt of an authorised Employer Initiated Retirement Form (EIRA). Information is also available via the Employer Hub.		Ongoing	N/A	N/A
Employer newsletters (Employer Matters)	Feedback on template	Draft template and sign off following WSCC feedback	<b>Feedback from employers (through a feedback survey at the Focus Group in July 2021) will be incorporated in the next Pensions Matters and Stop Press.</b>	Quarterly	<b>11/2021</b>	<b>02/2022</b>
Employer workshop sessions	Feedback on proposed content	Draft content and sign off.	Development of biannual Employer Days  <b>A session was held in September 2021. The next to be held in January 2022.</b>	Biannually	<b>N/A</b>	<b>N/A</b>
Focus group meetings	Feedback on agenda.	Draft agenda and content	A virtual Focus Group will be <b>held on 24 November 2021.</b>	Biannually	<b>11/2021</b>	<b>02/2022</b>
Latest news updates (specific topics, changes to the regulations)	Sign off of content when comms specific to West Sussex.	Website updates. West Sussex specific communications would be drafted, and template shared for feedback/sign off.	Monthly Correspondence Meetings continue to be held.	Ongoing	<b>11/2021</b>	<b>02/2022</b>
Payslips (where their pension varies by £5).	Feedback on changes to content, when applicable.	Template agreed and changes will be made where necessary. Payslip production following monthly pensions payroll.	Provide electronic payslips and P60's as a default, from June 2022, unless pensioner member opts out and elects for a hardcopy.  <b>A pensioner mailing is being sent out to reminder members to register for the member portal, to allow them to see their monthly payslip.</b>	Ongoing		
Pensions Savings Statements	Feedback on template	Draft templates and sign off	Letter reviewed which provides pensions savings statement to members who have exceeded annual allowance by the Statutory deadline.	Annually	<b>11/2021</b>	<b>11/2022</b>

	WSCC's Role	Admin Team Role	Future Activity	How often it should be reviewed	Previous PAB review date	Next date for PAB review
Portal (Member and Employer)	Feedback on content/messages displayed	Maintain and update functionality / content as necessary.	Update/Amendments to functionality of Member Portal.  <b>An action plan to develop the hub functionality and engage with employers who have not yet registered will be available by January 2022.</b>	Ongoing	N/A	N/A
Pre-Retirement course	Learning and Development run the pre-retirement course, this is advertised on their pages.	N/A		Ongoing	N/A	N/A
Requesting feedback from customers as part of the Customer Services Excellence accreditation.		HCC request from relevant parties including via email signature, training surveys sent to employer training attendees and complaints/compliments reporting	Training surveys Reporting of complaints and compliments	Ongoing	<b>N/A</b>	<b>N/A</b>
Stop Press publications	Feedback/sign off if West Sussex specific.	Draft content and make WSCC aware of stop press.	<b>Feedback from employers (through a feedback survey at the Focus Group in July 2021) will be incorporated in the next Pensions Matters and Stop Press.</b>	Ongoing	<b>11/2021</b>	<b>02/2022</b>
Training for small groups	Propose appropriate sessions	Draft content and sign off		Ongoing	N/A	N/A
Training on provision of end of year member data, including the completion of the appropriate data capture spreadsheet.	Feedback on content	Draft content, provide to WSCC for feedback and sign off.		Annually	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.	<b>Following an update to the logos on the website, the team are further updating visuals to help make it look engaging. For example, the news section is now a banner across the top, so that it is the first thing that is seen as you go in.</b>  <b>Website content and links will be kept under periodic review in line with changes.</b>  <b>An annual content review is due to take place ahead of the pensioner newsletter being produced.</b>  <b>The employer pages have been reviewed to take into account of the team onboarding new partners.</b>	Ongoing	N/A	N/A

**Employer News**

One news article was published in the period.

- [Stop Press 2021 LGPS Annual Benefit Statements now available](#)
- [2021 LGPS Annual Benefit Statements now available](#)
- [Your Pension – your future ABS presentation](#)
- [Employer Focus Group – July 2021](#)
- [Employer Focus Group – Website and Employer Communications – 26 July 2021](#)
- [Pensions Matters Summer 2021](#)

**Member news**

One news article was published in the period.

- [Annual Benefit Statements 2021 – for Active members](#)



**West Sussex Pension Fund  
administered by  
Hampshire Pension Services**

*The Castle, Winchester,  
Hampshire SO23 8UB*

*Telephone 01962 845588*

*www.westsussex.gov.uk/pensions*

<i>Enquiries to</i>	Pensions Customer Support Team	<i>My Reference</i>	
<i>Direct Line</i>	01962 845588	<i>Your Reference</i>	
<i>Date</i>		<i>Email</i>	pensions@hants.gov.uk

Dear

**Local Government Pension Scheme (LGPS)  
Pension Savings Statement 2020/21**

Please find enclosed your Pensions Savings Statement for 2020/21. This statement sets out the increase in your pension savings from the West Sussex Local Government Pension Scheme over 2020/21 for comparison against the HM Revenue & Customs (HMRC) Annual Allowance threshold.

We have sent you this statement for one of the following reasons:

- Our records show that the increase in your pension savings in the West Sussex Local Government Pension Scheme exceeds the standard Annual Allowance (based on the information we hold on your pension record at the time of the calculation),
- You have requested a statement,
- A third party has requested a statement on your behalf (you will need to forward this to them),
- We have revised a previous statement due to a notification of a data change.

Please refer to our website which gives you more information on how the Annual Allowance works

<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/pensions-and-tax>

**What should I do with this information?**

You will need this statement to work out whether you have to pay a tax charge. If you find that you do need to pay a tax charge, then there are different ways in which you can meet the charge as set out later in this document.

**It is your personal responsibility to pay the correct amount of tax and therefore please take your time to read and understand this information.** You may need to take independent financial advice in order to ensure you understand your tax position.

You can use the HMRC online calculator to work out if you need to pay a charge

<https://www.tax.service.gov.uk/paac>

Members must report any annual allowance excess to HMRC as part of the self reporting process, even if a self assessment return is not ordinarily required by HMRC. **The scheme is not responsible** for informing HMRC on your behalf. You may wish to refer to HMRC guidance;

### Your pension savings

There is a limit to the amount of pension you can build up in a year without paying any tax. This limit is called the Annual Allowance.

HMRC measures your pension savings in a specific way, and over a specific time period:

- The increase in your pensions savings is called the Pension Input Amount (PIA).
- The increase in pensions savings is measured over a period which is called the Pension Input Period (PIP for short).

You may be subject to an Annual Allowance tax charge if your PIA for an input period is more than the Annual Allowance in that period. The tax charge only applies to the amount above the allowance.

However, you are allowed to carry forward unused Annual Allowance from the last three PIPs to fully or partially offset a tax charge.

The calculation of your pension savings for 2020/21 is shown on the attached information sheet. **If you believe that any of the data is incorrect, please contact Pensions Services as this may affect your Pension Input Amount calculation.**

**The values only take account of this pension scheme.** You will also need to consider any other pension savings you have made during this period, and the last three years, to work out any tax charge. You may wish to seek independent financial advice before you make any decisions.

Members who submit a paper return should use form SA101. Nil tax returns are not required. Where members do not ordinarily complete a tax return they should now request one from HMRC to report the excess.

### Tax Charges

If you breach the annual allowance in relation to any input period, and there is no available unused allowances from previous years to offset against the pension growth, you may face a tax charge on the excess amount.

If you face a tax charge then you will need to complete a self assessment tax return to establish how much tax is due. The scheme PSTR number needed to complete the return is PSTR00329946RE.

### Mandatory Scheme Pays

Under certain conditions, you may elect that the pension scheme pays any tax due to HMRC on your behalf.

A 'scheme pays' facility works by having the pension scheme pay the tax charge initially from the pension fund, with the debt repaid by you in the form of a permanent debit applied to your pension once it comes into payment.

You may request Mandatory Scheme Pays under certain circumstances:

Pension growth must exceed the standard Annual Allowance (£40,000), and

ii. Your total Annual Allowance charge must be more than £2,000, and

iii. Your election must be received by 31 July 2022

### **Voluntary Scheme Pays**

Where each of the conditions below are met:

- The member is subject to the tapered annual allowance
- The member exceeds the standard annual allowance
- A member is not able to utilise Mandatory Scheme pays
- The annual allowance calculation relates solely to the West Sussex LGPS
- Where the annual allowance charge is above £2,000

You can request to use Voluntary Scheme Pays in respect of Annual Allowance charges due for the 2020-21 tax year. The pension scheme pay the tax charge initially from the pension fund, with the debt repaid by you in the form of a permanent debit applied to your pension once it comes into payment.

Tax charges using voluntary scheme pays must be paid by 31 January 2022 to avoid interest charges. If you wish to use this facility then you should return your completed scheme pays notice by 30 November 2021. If we receive your completed form after this date we may not be able to pay your charge to HMRC by the 31 January 2022 deadline and interest charges will then apply.

If you require any more information about how we have calculated the figures, please contact us.

Yours sincerely

Pension Services



*Director of Finance and Support Services*  
[Katharine Eberhart](#)



## **Pensions Savings Statement 2020/21**

**A summary of your pension savings position for 2020/21 is shown below.**

**A breakdown of the calculation is shown on pages 2 and 3 and the underlying data is shown on page 4.**

Pension Input Amount for 2020/21

£0.00

Standard annual allowance for 2020/21

£0.00

Your Pension Input Amount for 2020/21 exceeds the standard Annual Allowance. You have a taxable excess over your standard annual allowance.

£0.00

**Taxable Excess in 2020/21**

Taxable excess after unused allowances from previous three years

£0.00

**You have no Taxable Excess after using previous years allowance**

**Based on the information we hold, you do not have a taxable excess after using previous years unused allowances.**

**Remaining unused allowances to carry forward for 2020/21:**

<b>Year</b>	<b>Unused Allowance</b>
<b>2020/21</b>	<b>£0.00</b>
<b>2019/20</b>	<b>£0.00</b>
<b>2018/19</b>	<b>£0.00</b>

## Calculating your Pension Input Amount for 2020/21

### 1. Calculate your Pension Input Amount (PIA) for 2020/21

$$\begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Annual Pension at} \\
 \text{05/04/21}
 \end{array}
 \times 16
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Lump sum at} \\
 \text{05/04/21}
 \end{array}
 +
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Lump sum at} \\
 \text{05/04/21}
 \end{array}
 =
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{BOX A}
 \end{array}$$

### 2. Calculate the HMRC value of your pension savings as at 5 April 2020

$$\begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Annual Pension at} \\
 \text{05/04/20}
 \end{array}
 \times 16
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Lump sum at} \\
 \text{05/04/20}
 \end{array}
 +
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Lump sum at} \\
 \text{05/04/20}
 \end{array}
 =
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{BOX B}
 \end{array}
 \times 0.000
 \begin{array}{r}
 \text{Increase for} \\
 \text{inflation (CPI in} \\
 \text{Sept 19)}
 \end{array}
 =
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{BOX B}
 \end{array}$$

### 3. Take the 2020 value of your pension savings from the 2021 value and add any AVC contributions made

$$\begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{BOX A}
 \end{array}
 -
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{BOX B}
 \end{array}
 +
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{AVC} \\
 \text{contributions}
 \end{array}
 =
 \begin{array}{r}
 \boxed{\text{£0.00}} \\
 \text{Pension Input} \\
 \text{Amount (PIA)} \\
 \text{for 2020/21}
 \end{array}$$

## Calculating your taxable excess over the Annual Allowance

1. Take the current year's annual allowance from your Pension Input Amount (PIA) for 2020/21

£0.00	-	£0.00	=	£0.00
2020/21 annual allowance		PIA 2020/21		BOX C

If Box C is a positive figure, you have not exceeded the current annual allowance and Box C is your 2020/21 unused allowance to carry forward into 2021/22 (restricted to a maximum of £40,000).

2. If Box C is a negative figure, you have exceeded the current annual allowance. You can reduce this by using up any previous years unused allowances (oldest year first - 2017/18)

£0.00	-	£0.00	=	£0.00
BOX C		2017/18 unused allowance		BOX D

3. If Box D is still more than £0 then repeat with 2018/19 unused allowance

£0.00	-	£0.00	=	£0.00
BOX D		2018/19 unused allowance		BOX E

**As Box E is less than zero, your unused allowances for 2017/18 and 2018/19 have been used to cover your excess PIA for 2020/21, and you have a remaining unused allowance which can be carried forward to 2021/22.**

If BOX E is still more than £0 then repeat with 2018/19 unused allowance

£0.00	-	£0.00	=	£0.00
BOX E		2019/20 unused allowance		BOX F

**Underlying data for annual allowance calculation**

**Personal Information**

<b>Name</b>	
<b>Folder Reference</b>	
<b>National Insurance Number</b>	
<b>Payroll Number</b>	
<b>Date of Birth</b>	

**Pension data for current and previous years**

<b>Pension Input Period (PIP)</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>
<b>Pay figures:</b>						
<b>Final Salary pay at end of PIP</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
<b>Career Average pay at end of PIP</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
<b>Pension Figures:</b>						
<b>LGPS pension at end of PIP</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

<b>Final Salary lump sum at end of PIP</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
<b>Additional Voluntary contributions paid over PIP (including Shared Cost AVC's)</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

### Previous year's pension inputs and unused allowances

<b>Pension Input Period (PIP)</b>	<b>Pension Input Amount (PIA)</b>	<b>Annual Allowance</b>	<b>Unused allowance available for 2020/21</b>
<b>2019/20</b>			
<b>(6 April 2018 to 5 April 2020)</b>	£0.00	£0.00	£0.00
<b>2018/19:</b>			
<b>(6 April 2018 to 5 April 2019)</b>	£0.00	£0.00	£0.00
<b>2017/18</b>			
<b>(6 April 2017 to 5 April 2018)</b>	£0.00	£0.00	£0.00

- a) A lower Annual Allowance may apply to the amount of Money Purchase pension savings you can make if you have accessed any pension savings using the new pension freedoms introduced in April 2015.
- b) The unused allowance is the amount available to offset the 2020/21 pension input amount carried forward from the previous year's i.e. after previous year adjustments.

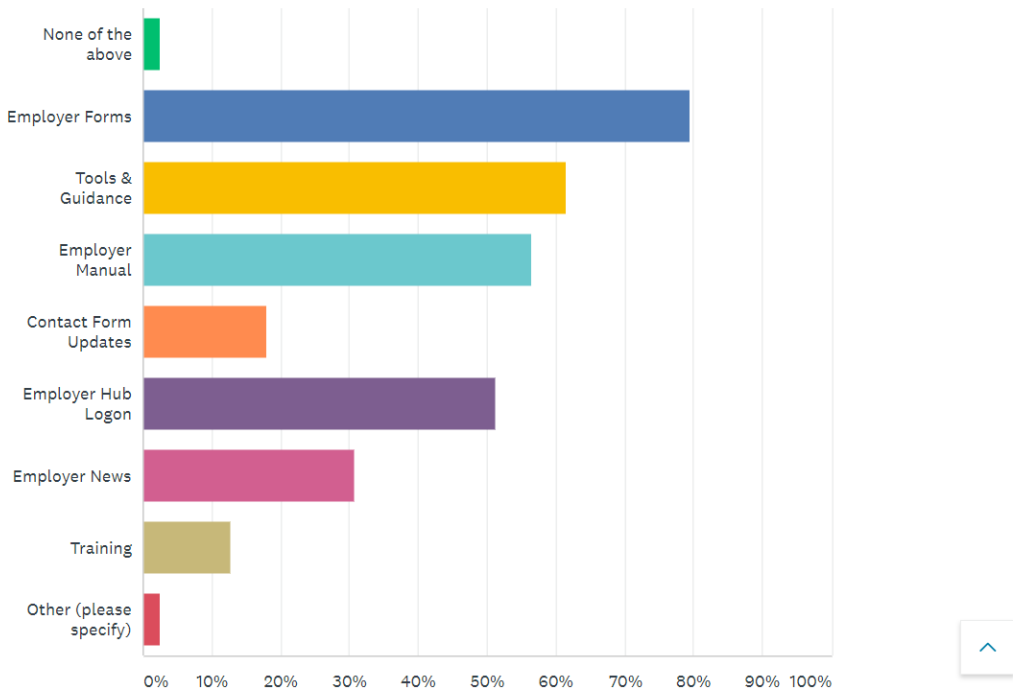
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## Website

Of the 40 employers who responded, 36 (90%) used the Employer area of the Pensions website – and the same number felt that the site met their needs as an employer. The chart below shows the reasons that employers access the site:

What do you use the Employer area of the website for? (Select all that apply)

Answered: 39 Skipped: 1



The table below shows the general feedback on the site:

ANSWER CHOICES	RESPONSES
▼ It's engaging, intuitive, and all the information I need is easily accessible.	18.42% 7
▼ It's functional (does the job) while providing me with the information I need.	73.68% 28
▼ I find the website difficult to use	7.89% 3
<b>TOTAL</b>	<b>38</b>

[Comments \(7\)](#)

Potential improvements included a search function, the ability to see monthly pensionable pay and contributions, more interaction (e.g. when forms have been processed or to communicate about member forms)

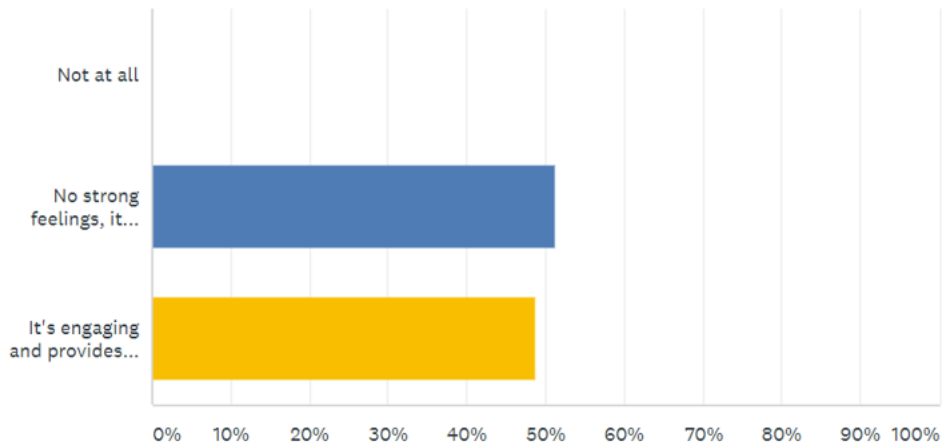
# Pensions Matters

Appendix C

Of the 40 employers who responded, 36 (90%) read the Employer newsletter when it was published – and the same number felt that the actions were clear. The chart below shows how engaging and useful employers find Pensions Matters:

How engaging and useful do you find Pensions Matters?

Answered: 39 Skipped: 1



The table below shows the general feedback on Pensions Matters:

ANSWER CHOICES	RESPONSES
Not at all	0.00% 0
No strong feelings, it does the job	51.28% 20
It's engaging and provides me with the information I need	48.72% 19
<b>TOTAL</b>	<b>39</b>

Potential improvements included key information at the front, with key actions summarised and highlighted throughout.



**Key decision: Not applicable**  
**Unrestricted**

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## **Pension Advisory Board**

**15 November 2021**

### **Regulations and Governance Update**

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

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#### **Summary**

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

#### **Recommendations**

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

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#### **Proposal**

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

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

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

- 2.1 Bulletins issued since the last meeting and issues of interest are:  
[July Bulletin 212](#) with information on actuarial guidance queries, consultation on special severance payments, and tPR survey results (covering at the Board's meeting in July).

[August Bulletin 213](#) with information on responses to consultations on severance payments and tPR code of practice (see below).

[September Bulletin 214](#) with information on renaming of MHCLG, and the CPI rate for September of 3.1%. The application of this rate to revaluing and increasing pensions is subject to Government confirmation.

[October Bulletin 215](#) with information on the new Government minister, pensions dashboard programme, and the publication of (Local Government Pension Statistics) [SF3 data](#).

- 2.2 In September, the Government announced that the Ministry of Housing, Communities and Local Government (MHCLG) will become the Department for Levelling Up, Housing and Communities (DLUHC). This is the primary regulator for the LGPS and it is not clear yet whether these changes will help speed up outstanding work on updating LGPS regulations and guidance or not.
- 2.3 A review of these Bulletins gives an indication that the day-to-day work of regulating and administering local government pensions is continuing at the detailed technical level but overall policy decisions on Scheme governance are not progressing. Full details are available on the LGPC website ([www.lgpsregs.org](http://www.lgpsregs.org)) under "LGPC Bulletins". Other changes or potential changes to the regulations are addressed in the Administration report on the agenda.

### **3. Scheme Advisory Board/DLUHC outstanding issues**

- 3.1 The impact of the COVID-19 pandemic continues to slow progress on a number of regulatory and guidance matters, and there is still a 'build-up' of regulatory matters requiring attention. A summary of these outstanding issues was reported to the Board in February.
- 3.2 A recent article on the governance and regulatory issues relating to asset pooling and climate change has been circulated to Board members. This gives a helpful perspective from the LGPS industry on the inter-relationship and complexity of these two areas on which further regulatory guidance from DLUHC is anticipated. Although essentially investment issues, compliance with new regulatory guidance will be a key issue for the Pensions Committee and for the Board.
- 3.3 The SAB last met on 27 September with an agenda covering the Cost Transparency Report, the replacement of the CIPFA Pensions Panel, the Cost Management Committee and the Investment Committee. No further information has been issued about the matters discussed and decisions taken, and there are therefore no further developments to report. Information about their past meetings and other issues is available on their website ([www.lgpsboard.org](http://www.lgpsboard.org)).
- 3.4 The reference to the CIPFA Pensions Panel is relevant in that the Panel has issued guidance and advice on a wide range of pension fund issues in the past and some are built in to the LGPS regulations as guidance to which funds should have regard, e.g. preparation of annual reports. CIPFA

has now disbanded the Panel and the SAB is considering setting up a new Compliance and Reporting Committee under its own framework.

#### **4. The Pensions Regulator**

- 4.1 The consultation on a new combined Code of Practice concluded at the end of May but due to the number of responses, the new Code is not expected to be published until the summer of 2022.

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

- 5.1 N/A

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

- 6.1 N/A

#### **7. Finance**

- 7.1 N/A

#### **8. Risk implications and mitigations**

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

#### **9. Policy alignment and compliance**

- 9.1 Integral part of agreed training strategy.

#### **Peter Scales**

Chairman of the Pension Advisory Board

**Contact Officer:** Adam Chisnall, Democratic Services Officer, 033 022 28314  
[adam.chisnall@westsussex.gov.uk](mailto:adam.chisnall@westsussex.gov.uk)

#### **Background papers**

None

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**Key decision: No  
Unrestricted**

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## **Pension Advisory Board**

**15 November 2021**

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

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

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#### **Summary**

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

#### **Recommendations**

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

#### **Proposal**

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

- 1.1 The Pension 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. This is in line with the Boards role in assisting the Scheme Manager to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme.
- 1.2 In addition, the Pension Regulators Code of Practice 14 requires that "Pension board members must be conversant with their scheme rules ... and documented administration policies currently in force for their pension scheme". 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 Breaches Policy**

- 2.1 The Breaches Policy covers identifying, managing and, where necessary, reporting breaches of the law.
- 2.2 The Policy was last reviewed by the Pension Advisory Board in November 2019.

- 2.3 It has subsequently been reviewed by officers in terms of its compliance with the Pensions Regulator Code of Practice no 14 Governance and administration of public service pension schemes (the Code of Practice) and in terms of best practice (i.e.. other Authorities policy). The relevant excerpt from the Code of Practice has been appended as guidance (Appendix B). No amendments have been made to the Policy because of this review. The current Breaches Policy is provided in Appendix C for review by the Board against Regulations and Guidance.

### **3 Internal Dispute Resolution Procedure (IDRP)**

- 3.1 The Internal Dispute Resolution Procedure (IDRP) sets out the formal complaint procedure where a member, or prospective member, is not satisfied with any decision affecting their pension benefits, or if a decision should have been made by an employer or administering authority, but it has not been.
- 3.2 The Pension Board last reviewed the IDRP in November 2018.
- 3.3 It has been reviewed in terms of its compliance with the Pensions Regulator Code of Practice and best practice (ie other Authorities procedures). The relevant excerpt from the Code of Practice has been appended as guidance (Appendix D). The procedure has been amended to make the document more user friendly (including reference to the wider complaints process) and making timescales clearer.
- 3.4 The draft IDRP is provided in Appendix E for review by the Board against Regulations and Guidance.

### **4 Conflict of Interest Policy**

- 4.1 One of the recommendations of the Scheme Advisory Board Good Governance project is that:

*Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.*

The SAB have asked The Department for Levelling Up, Housing and Communities (DLUHC) to set the requirement as part of statutory guidance which will cover the recommendations of the project.

- 4.2 Currently the Fund relies on the Council Code of Conduct to fulfil the Pensions Regulator requirements regarding conflict of interest. However, it is understood that this will not be sufficient once the recommendations from the SAB are put into statutory guidance by DLUHC.
- 4.3 In anticipation of this officers have drafted an initial Conflicts of Interest Policy (Appendix F). In the absence of statutory guidance, this is aligned with the Council's own Code and draws on a review of a number of other Fund policies in place across the LGPS.
- 4.4 The Board is invited to provide feedback on the initial draft.

Katharine Eberhart

**Director of Finance and Support Services**

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

**Appendices**

Appendix A – Register of Policy Documents

Appendix B – Extract from tPR Code of Practice 14

Appendix C – Breaches Policy

Appendix D - Extract from tPR Code of Practice 14

Appendix E – Internal Disputes Resolution Procedure

Appendix F – Draft Conflict of Interest Policy

**Background papers**

None

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## Register of Pension Fund Policy Documents

<b>POLICY</b>	<b>Regulation</b>	<b>Importance</b>	<b>How often it should be reviewed</b>	<b>Previous PAB review date</b>	<b>Next date for PAB to review</b>
<a href="#">Actuarial valuation</a>	<a href="#">LGPS Regulations 2013 Regulation 62</a>	Statutory required	Every 3 years		Q1 2023
<a href="#">Administering Authority Discretions</a>	<a href="#">LGPS Regulations 2013 Regulation 60</a>	Statutory required	Every 4 years	Apr 2019	TBC but no later Q1 2023
<a href="#">Pension Administration Strategy</a>	<a href="#">LGPS Regulations 2013 Regulation 59</a>	Highly recommended	Every 2 years	Apr 2021	Q1 2023
<a href="#">Annual Report</a>	<a href="#">LGPS Regulations 2013 Regulation 57</a>	Statutory required	Annually	July 2021	Q2 2022
<a href="#">Breaches policy</a>	<a href="#">Pensions Act 2004 Regulation 70</a>	Highly recommended	Every 2 years	Nov 2019	Q3 2021
<a href="#">Communications Policy Strategy</a>	<a href="#">LGPS Regulations 2013 Regulation 61</a>	Statutory required	Annually	Feb 2021	Q4 2022
<a href="#">Conflict of Interest</a>	<a href="#">Public Service Pension Act 2013 Regulation 5(4) and 5(5)</a>	Highly recommended	Every 3 years		Q3 2021
<a href="#">Funding Strategy Statement</a>	<a href="#">LGPS Regulations 2013 Regulation 58</a>	Statutory required	Every 3 years	Nov 2020	Q1 2022
<a href="#">Governance Policy and Compliance Statement</a>	<a href="#">LGPS Regulations 2013 Regulation 55</a>	Statutory required	Annually	Nov 2018	TBC
<a href="#">IDRP (Internal Dispute Resolution Procedure)</a>	<a href="#">The Pension Regulator &amp; Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008</a>	Highly recommended	Every 3 years		Q3 2021

Agenda Item 12  
Appendix A

<b>POLICY</b>	<b>Regulation</b>	<b>Importance</b>	<b>How often it should be reviewed</b>	<b>Previous PAB review date</b>	<b>Next date for PAB to review</b>
<a href="#">Investment Strategy Statement</a>	<a href="#">LGPS Regulations (Management and Investment of Funds) 2016</a>	Statutory required	Every 3 years	Nov 2020	Q3 2023
<a href="#">LGPS Privacy Notice</a>	<a href="#">Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679</a>	Statutory required	Every 3 years	Apr 2021	Q1 2024
<a href="#">Risk Register</a>	<a href="#">The Pensions Regulator Code of Practice no.14</a>	Highly recommended	Annually and as part of Business Plan		Q1 2021

## **Extract from The Pension Regulator Code 14: Governance and administration of public service pension schemes**

### **Reporting breaches of the law**

#### Legal requirements

241. Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions

For further information about reporting late payments of employee or employer contributions, see the section of this code on 'Maintaining contributions'.

242. People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

243. The report must be made in writing as soon as reasonably practicable. See paragraph 263 for further information about how to report breaches.

#### Practical guidance

244. Schemes should be satisfied that those responsible for reporting breaches are made aware of the legal requirements and this guidance. Schemes should provide training for scheme managers and pension board members. All others under the statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty.

This means having sufficient familiarity with the legal requirements and procedures and processes for reporting.

#### Implementing adequate procedures

245. Identifying and assessing a breach of the law is important in reducing risk and providing an early warning of possible malpractice in public service pension schemes. Those people with a responsibility to report breaches, including scheme managers and pension board members, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters. It is important that procedures allow reporters to decide within an appropriate timescale whether they must report a breach. Reporters should not rely on waiting for others to report.

246. Procedures should include the following features:

- a process for obtaining clarification of the law around the suspected breach where needed
- a process for clarifying the facts around the suspected breach where they are not known
- a process for consideration of the material significance of the breach by taking into account its cause, effect, the reaction to it, and its wider implications, including (where appropriate) dialogue with the scheme manager or pension board
- a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator
- an established procedure for dealing with difficult cases
- a timeframe for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable
- a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue), and
- a process for identifying promptly any breaches that are so serious they must always be reported.

#### Judging whether a breach must be reported

247. Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and, for funded pension schemes, making investment or investment-related decisions.

#### Judging whether there is 'reasonable cause'

248. Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.

249. Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.
250. Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to check with the pension board or scheme manager or with others who are in a position to confirm what has happened. It would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these circumstances the reporter should alert the regulator without delay.
251. If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.
252. In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the regulator may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.

#### Judging what is of 'material significance' to the regulator

253. In deciding whether a breach is likely to be of 'material significance' to the regulator. It would be advisable for those with a statutory duty to report to consider the:
- cause of the breach
  - effect of the breach
  - reaction to the breach, and
  - wider implications of the breach.
254. When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the regulator.

#### Cause of the breach

255. The breach is likely to be of material significance to the regulator where it was caused by:
- dishonesty
  - poor governance or administration
  - slow or inappropriate decision making practices

- incomplete or inaccurate advice, or
  - acting (or failing to act) in deliberate contravention of the law.
256. When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.
257. A breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances. But in such a situation, it is also important to consider other aspects of the breach such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.

#### Effect of the breach

258. Reporters need to consider the effects of any breach, but with the regulator's role in relation to public service pension schemes and its statutory objectives in mind, the following matters in particular should be considered likely to be of material significance to the regulator:
- pension board members not having the appropriate degree of knowledge and understanding, which may result in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements
  - pension board members having a conflict of interest, which may result in them being prejudiced in the way that they carry out their role, ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements
  - adequate internal controls not being established and operated, which may lead to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time
  - accurate information about benefits and scheme administration not being provided to scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement
  - appropriate records not being maintained, which may result in member benefits being calculated incorrectly and / or not being paid to the right person at the right time
  - pension board members misappropriating any assets of the scheme or being likely to do so, which may result in scheme assets not being safeguarded, and
  - any other breach which may result in the scheme being poorly governed, managed or administered.

259. Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.

#### Reaction to the breach

260. Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the regulator will not normally consider this to be materially significant.
261. A breach is likely to be of concern and material significance to the regulator where a breach has been identified and those involved:
- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence
  - are not pursuing corrective action to a proper conclusion, or
  - fail to notify affected scheme members where it would have been appropriate to do so.

#### Wider implications of the breach

262. Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to the regulator. For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the scheme manager or pension board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.

#### Submitting a report to the regulator

263. Reports must be submitted in writing and can be sent by post or electronically, including by email or by fax. Wherever possible reporters should use the standard format available via the Exchange online service on the regulator's website.
264. The report should be dated and include as a minimum:
- full name of the scheme
  - description of the breach or breaches
  - any relevant dates
  - name of the employer or scheme manager (where known)
  - name, position and contact details of the reporter, and
  - role of the reporter in relation to the scheme.
265. Additional information that would help the regulator includes:

- the reason the breach is thought to be of material significance to the regulator
  - the address of the scheme
  - the contact details of the scheme manager (if different to the scheme address)
  - the pension scheme's registry number (if available), and
  - whether the concern has been reported before.
266. Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if appropriate.
267. Reporters should ensure they receive an acknowledgement for any report they send to the regulator. Only when they receive an acknowledgement can the reporter be confident that the regulator has received their report.
268. The regulator will acknowledge all reports within five working days of receipt, however it will not generally keep a reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose.
269. The reporter should provide further information or reports of further breaches if this may help the regulator to exercise its functions. The regulator may make contact to request further information.
270. Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.
271. In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, the regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the regulator to the breach.

#### Whistleblowing protection and confidentiality

272. The Pensions Act 2004 makes clear that the statutory duty to report overrides any other duties a reporter may have such as confidentiality and that any such duty is not breached by making a report. The regulator understands the potential impact of a report on relationships, for example, between an employee and their employer.
273. The statutory duty to report does not, however, override 'legal privilege'. This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while



obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.

274. The regulator will do its best to protect a reporter's identity (if desired) and will not disclose the information except where lawfully required to do so. It will take all reasonable steps to maintain confidentiality, but it cannot give any categorical assurances as the circumstances may mean that disclosure of the reporter's identity becomes unavoidable in law. This includes circumstances where the regulator is ordered by a court to disclose it.
275. The Employment Rights Act 1996 (ERA) provides protection for employees making a whistleblowing disclosure to the regulator. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to the regulator, they may have protection under the ERA if they make an individual report in good faith. The regulator expects such individual reports to be rare and confined to the most serious cases.

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# West Sussex Pension Fund

## Breaches Policy



## Reporting Breaches of the Law to the Pensions Regulator

### Background

In April 2015 the Pensions Regulator (the Regulator) published its Code of Practice no 14 (the Code) covering Governance and Administration of Public Service Pension Schemes.

- [Pensions Act 2004 –section 70\(1\), 70\(1\) \(a\) to \(e\), 70\(2\) and 70\(2\)\(a\)](#)
- [Section 90A - Inserted by Schedule 4 of Public Service Pensions Act 2013](#)

This document sets out the procedure established to ensure that those with a responsibility to make reports are able to meet their legal obligations by describing the procedure for the West Sussex Local Government Pension Scheme (LGPS) and relates to all of the Fund's areas of operation.

### A Breach

There are a number of statutory requirements within the Local Government Pension Scheme (LGPS) for which there is a statutory duty to report to the Pensions Regulator if these are not complied with i.e. a breach occurs. The objective is to:

- protect the benefits of pension scheme members
- promote, and improve understanding of, the good administration of work-based pension schemes;
- maximise compliance with the duties and safeguards of the Pension Act 2008;
- minimise any adverse impact on the sustainable growth of an employer (in relation to the exercise of the regulator's functions under Part 3 of the Pensions Act 2004 only) it therefore carries great weight in relation to pension Funds complying with their responsibilities under the above legislation.

Examples of breaches have been set out in .

Appendix 1 and the Highlight report template is available upon request.

## Reporters

Certain people are required to report breaches to the Pensions Regulator (“the Regulator”) where they have reasonable cause to believe that a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with and the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.

People who are subject to the reporting requirement (‘Reporters’) for public service pension schemes are:

- scheme managers;
- members of the pension board (meaning, in the case of the WSPF, the Local Pension Advisory Board);
- any person who is otherwise involved in the administration of the Fund;
- employers, and any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers;
- professional advisers including auditors, actuaries, legal advisers and fund managers; and
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The statutory duty to report a breach of the Law or Regulations overrides any other duties a Reporter may have such as confidentiality but does not mean that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, must be disclosed (legal privilege).

## Process for notifying, considering and reporting (suspected) breaches

Set out below is the process followed for notifying, considering and reporting a (suspected) breach.

1. A Reporter should notify the Principal Pensions Consultant (Administration and Employers) of a suspected breach in a timely and expedient manner -  
Tara Atkins, Principal Pensions Consultant (Administration and Employers),  
Room 216, East Wing, County Hall, Chichester, PO19 1RG  
0330 222 8787 [tara.atkins@westsussex.gov.uk](mailto:tara.atkins@westsussex.gov.uk)

In the absence of the Principal Pensions Consultant (Administration and Employers) a Reporter should notify the Pension Fund Strategist  
Rachel Wood, Pension Fund Strategist  
Room 216, East Wing, County Hall, Chichester, PO19 1RG  
0330 222 3387 / 07540 641821 [rachel.wood@westsussex.gov.uk](mailto:rachel.wood@westsussex.gov.uk)

2. The Principal Pensions Consultant will consider whether there is reasonable cause to believe that a breach has occurred and will investigate.

In cases of potential dishonesty or suspected fraud checks which might alert those implicated or impede the actions of the police or a regulatory authority should be avoided.

3. If the Principal Pensions Consultant determines that a breach has occurred it should be logged and actively managed by the Principal Pensions Consultant.
4. The Principal Pensions Consultant will need to be notified of the proposed response to the breach.

In all cases this should include the action taken to investigate and correct the breach, what steps have been put in place to minimise the risk of it happening again, how many members have been affected and whether those members have been notified of the breach.

5. Once the relevant steps above have been taken the Principal Pensions Consultant should consider whether the breach should be considered material taking into account:
  - the cause of the breach (dishonesty, poor governance or administration, slow or inappropriate decision making practices, incomplete or inaccurate advice and acting or failing to act in deliberate contravention of the law are all considered to be of material significance by the Regulator);
  - the effect of the breach including, any other breaches occurring as a result of the initial breach and the effects of those resulting breaches should also be taken into account;
  - the response to the breach (e.g. whether prompt and effective action is taken to investigate and correct the breach to a proper conclusion in order to minimise the risk of recurrence and if affected scheme members have been notified);
  - the wider implications of the breach (e.g. whether it is more likely that other breaches will emerge in the future); and
  - other reported and unreported breaches of which they are aware (although historical information should be considered with care).

6. If a breach is considered to be material breach a recommendation will be made to the Scheme Manger. The report must include:
  - Full name, address and registry number of the Fund;
  - Breach date and any relevant dates;
  - Description of the breach or breaches (and the reason the breach is thought to be of material significance to the Regulator);
  - Whether the breach has been rectified and the steps taken to rectify the breach;
  - Name of the employer or scheme manager (where known);
  - Name, position and contact details of the Reporter; and
  - Role of the Reporter in relation to the Fund.
7. The Scheme Manager will then determine whether, in their opinion, the breach is of material significance.

If the breach is considered to be of material significance to the Regulator, the Pensions Regulator must be informed and necessary responses and information will be provided.



## Periodic Reporting

A highlight report showing all breaches will be provided to the Director of Finance and Support Services and the Director of Law and Assurance (the Scheme Manager) on a quarterly basis based on the Pension Regulators "traffic light system":

- Red breaches must be reported to the Pension Regulator;
- Amber breaches are less clear cut and judgement is needed to decide whether it needs to be reported;
- Green breaches do not need to be reported to the Pension Regulator.

A version of the report will be provided to the Pension Committee and Pension Advisory Board.

## Whistleblowing protection and confidentiality

When a breach is reported, the Regulator will do his best to protect a Reporter's identity (if desired) and will not disclose this information except where lawfully required to do so. This is in addition to protection for employees making a whistleblowing disclosure to the Regulatory under the Employment Rights Act 1996 (ERA).

Where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision from their employer not to report to the Regulator, they may have protection under the ERA if they make an individual report in good faith. The Regulator expects such individual reports to be rare and confined to the most serious cases.

The County Council's whistleblowing policy can be found in its [Constitution](#).

## Appendix 1 – Example of breaches

The following tables show examples of potential breaches, set out using a traffic light system. These examples are not exhaustive and are illustrative only:

As each breach of law will have a unique set of circumstances, there may be elements which apply from one or more of the red, amber and green sections. Judgement should be used to determine which overall reporting traffic light the breach falls into.

**Note:** Red breaches must be reported to the Pension Regulator, Amber breaches are less clear cut: and judgement is needed to decide whether it needs to be reported and Green breaches do not need to be reported to the Pension Regulator

### Knowledge and understanding required by pension board members

Example: The scheme manager has breached a legal requirement because pension board members failed to help secure compliance with scheme rules and pension law.

Potential investigation outcomes:

Red	Must be reported
Cause	Pension board members have failed to take steps to acquire and retain the appropriate degree of knowledge and understanding about the scheme's administration policies
Effect	A board member does not have knowledge and understanding of the scheme's administration policy about conflicts of interest. The board member fails to disclose a potential conflict, which results in the member acting improperly
Reaction	Pension board members do not accept responsibility for their failure to have the appropriate knowledge and understanding or demonstrate negative/non-compliant entrenched behaviours. The scheme manager does not take appropriate action to address the failing in relation to conflicts
Wider Implications	It is highly likely that the scheme will be in breach of other legal requirements. The board do not have an appropriate level of knowledge and understanding and in turn are in breach of their legal requirement. Therefore, they are not fulfilling their role to assist the scheme manager and the scheme is not being properly governed

Amber	Judgement required
Cause	Pension board members have gaps in their knowledge and understanding about some areas of the scheme's administration policies and have not assisted the scheme manager in securing compliance with internal dispute resolution requirements
Effect	Some members who have raised issues have not had their complaints treated in accordance with the scheme's internal dispute resolution procedure (IDRP) and the law
Reaction	The scheme manager has failed to adhere precisely to the detail of the legislation where the breach is unlikely to result in an error or misunderstanding or affect member benefits
Wider Implications	It is possible that the scheme will be in breach of other legal requirements. It is possible that the pension board will not be properly fulfilling their role in assisting the scheme manager

<b>Green</b>	Do not Report
Cause	Board members have isolated gaps in their knowledge and understanding
Effect	The scheme manager has failed to adhere precisely to the detail of the legislation where the breach is unlikely to result in an error or misunderstanding or affect member benefits
Reaction	Pension board members take action to review and improve their knowledge and understanding to enable them to properly exercise their functions and they are making quick progress to address gaps in their knowledge and understanding. They assist the scheme manager to take prompt and effective action to remedy the breach
Wider Implications	It is unlikely that the scheme will be in breach of other legal requirements. It is unlikely that the pension board is not fulfilling their role in assisting the scheme manager

### Scheme record-keeping

Example scenario: An evaluation of member data has identified incomplete and inaccurate records

Potential investigation outcomes:

<b>Red</b>	Must be reported
Cause	Inadequate internal processes that fail to help employers provide timely and accurate data, indicating a systemic problem
Effect	All members affected (benefits incorrect/not paid in accordance with the scheme rules, incorrect transactions processed and poor quality information provided in benefit statements)
Reaction	Action has not been taken to identify and tackle the cause of the breach to minimise the risk of recurrence nor to notify members
Wider Implications	It is highly likely that there are wider scheme issues caused by inadequate processes and that the scheme will be in breach of other legal requirements

<b>Amber</b>	Judgement required
Cause	A failure by some – but not all – participating employers to act in accordance with scheme procedures, indicating variable standards of implementing those procedures
Effect	small number of members affected
Reaction	Action has been taken to identify the cause of the breach, but progress to tackle it is slow and there is a risk of recurrence
Wider Implications	It is possible that there are wider scheme issues and that the scheme may be in breach of other legal requirements

<b>Green</b>	Do not Report
Cause	A failure by one participating employer to act in accordance with scheme procedures, indicating an isolated incident
Effect	No members affected at present
Reaction	Action has been taken to identify and tackle the cause of the breach and minimise the risk of recurrence
Wider Implications	It is unlikely that there are wider scheme issues or that the scheme manager will be in breach of other legal requirements

## Providing Information to Members

Example scenario: An active member of a defined benefit (DB) public service scheme has reported that their annual benefit statement, which was required to be issued within 17 months of the scheme regulations coming into force, has not been issued. It is now two months overdue. As a consequence, the member has been unable to check:

- personal data is complete and accurate
- correct contributions have been credited
- what their pension may be at retirement

Potential investigation outcomes:

<b>Red</b>	Must be reported
Cause	Inadequate internal processes for issuing annual benefit statements, indicating a systemic problem
Effect	All members may have been affected
Reaction	Action has not been taken to correct the breach and/ or identify and tackle its cause to minimise the risk of recurrence and identify other members who may have been affected
Wider Implications	It is highly likely that the scheme will be in breach of other legal requirements

<b>Amber</b>	Judgement required
Cause	An administrative oversight, indicating variable implementation of internal processes
Effect	A small number of members may have been affected
Reaction	Action has been taken to correct the breach, but not to identify its cause and identify other members who may have been affected
Wider Implications	It is possible that the scheme will be in breach of other legal requirements

<b>Green</b>	Do not Report
Cause	An isolated incident caused by a one off system error
Effect	Only one member appears to have been affected
Reaction	Action has been taken to correct the breach, identify and tackle its cause to minimise the risk of recurrence and contact the affected member
Wider Implications	It is unlikely that the scheme will be in breach of other legal requirements

## Internal Controls

Example scenario: A DB public service scheme has outsourced all aspects of scheme administration to a third party, including receiving contributions from employers and making payments to the scheme. Some contributions due to the scheme on behalf of employers and members are outstanding.

Potential investigation outcomes:

Red	Must be Reported
Cause	The administrator is failing to monitor that contributions are paid to them in time for them to make the payment to the scheme in accordance within the legislative timeframes and is therefore not taking action
Effect	The scheme is not receiving the employer contributions on or before the due date nor employee contributions within the prescribed period
Reaction	The administrator has not taken steps to establish and operate adequate and effective internal controls and the scheme manager does not accept responsibility for ensuring that the failure is addressed
Wider Implications	It is highly likely that the administrator is not following agreed service level standards and scheme procedures in other areas. The scheme manager is likely to be in breach of other legal requirements such as the requirement to have adequate internal controls

Amber	Judgement required
Cause	The administrator has established internal controls to identify late payments of contributions but these are not being operated effectively by all staff at the administrator
Effect	The scheme is receiving some but not all of the employer contributions on or before the due date and employee contributions within the prescribed period
Reaction	The scheme manager has accepted responsibility for ensuring that the failure is addressed, but the progress of the administrator in training their staff is slow
Wider Implications	It is possible that the administrator is not following some of the agreed service level standards and scheme procedures in other areas. It is possible that the scheme manager is in breach of other legal requirements

Green	Do not Report
Cause	Legitimate late payments have been agreed by the scheme with a particular employer due to exceptional circumstances
Effect	The employer is paying the administrator the outstanding payments within the agreed timescale
Reaction	The scheme has discussed the issue with the employer and is satisfied that the employer is taking appropriate action to ensure future payments are paid on time
Wider Implications	It is unlikely that the employer is failing to adhere to other scheme processes which would cause the scheme manager to be in breach of legal requirements

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## **Extract from The Pension Regulator Code 14: Governance and administration of public service pension schemes**

### **Internal dispute resolution**

#### Legal requirements

213. Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme. 'Pension disputes' cover matters relating to the scheme between the managers and one or more people with an interest in the scheme. These exclude 'exempted disputes'.
214. There are certain 'exempted disputes' to which the internal dispute resolution procedure will not apply. This includes disputes where proceedings have commenced in any court or tribunal, or where the Pensions Ombudsman has commenced an investigation into it. Certain other prescribed disputes, for instance medical-related disputes that may arise in relation to police and fire and rescue workers, are also 'exempted disputes'.
215. A person has an interest in the scheme if they:
- are a member or surviving non-dependant beneficiary of a deceased member of the scheme
  - are a widow, widower, surviving civil partner or surviving dependant of a deceased member of the scheme
  - are a prospective member of the scheme
  - have ceased to be a member, beneficiary or prospective member or
  - claim to be in one of the categories mentioned above and the dispute relates to whether they are such a person.
216. Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.
217. Scheme managers and specified persons (if used as part of a scheme's procedure) must take the decision required on the matters in dispute within a reasonable period of receiving the application. They must notify the applicant of the decision within a reasonable period of having taken it.
218. Internal dispute resolution procedures must state the manner in which an application for the resolution of a pension dispute is to be made, the particulars which must be included in such an application and the manner in which any decisions required in relation to such an application are to be reached and given. The procedure must specify a reasonable period within which applications must be made by certain people.

219. Scheme managers must provide information about the scheme's dispute resolution procedure as well as information about The Pensions Advisory Service (TPAS) and the Pensions Ombudsman to certain people at certain stages.

#### Practical guidance

220. Scheme members expect their pension scheme to be managed effectively. Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme (for example a decision which affects them), they have the right to ask for that matter to be reviewed.
221. Internal dispute resolution arrangements provide formal procedures and processes for pension scheme disputes to be investigated and decided upon quickly and effectively. They play a key role in the effective governance and administration of a scheme.
222. Schemes can operate a two-stage procedure with a 'specified person' undertaking the first-stage decision. Alternatively, they may adopt a single-stage procedure if they consider that is more appropriate for their scheme.
223. With the exception of certain matters outlined below, the law does not prescribe the detail of the dispute resolution procedure. Schemes should decide on this and ensure it is fit for purpose.

#### When applications should be submitted

224. Schemes may choose to specify time limits within which the following people must apply for a dispute to be resolved:
- scheme members
  - widows, widowers, surviving civil partners or surviving dependants of deceased scheme members
  - surviving non-dependant beneficiaries of deceased scheme members, and
  - prospective scheme members.
225. If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.
226. Scheme managers must ensure their scheme's procedure specifies a reasonable period within which applications by the following people must be made:
- a person who has ceased to be within the categories in paragraph 224 above
  - a person who claims that they were a person within the categories in paragraph 224 above and has ceased to be such a person, and the dispute relates to whether they are such a person.



227. A reasonable period would be six months beginning immediately after the date on which the person ceased to be, or claims they ceased to be, a person with an interest in the scheme. However, schemes have the flexibility to exercise their judgement and take an application outside a specified time period, if appropriate.

When decisions should be taken

228. Managers and specified persons (where applicable) must decide the matter in dispute within a reasonable period of receiving the application. A reasonable period is within four months of receiving the application. In the case of a two-stage dispute resolution procedure, the reasonable period applies to each stage separately. Where a dispute is referred to scheme managers for a second-stage decision, the reasonable period begins when the managers receive the referral. However, there may be cases where it will be possible to process an application sooner than the reasonable time given. Where this is the case, there should not be a delay in taking the decision.
229. There may be exceptional circumstances of a particular dispute which may prevent the process being completed within the reasonable time period stated above. For instance, where the dispute involves unusually complex and labour-intensive calculations or research, or delays occur that are outside the control of the scheme manager (or specified person), or because they need to obtain independent evidence.
230. The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.

When applicants should be informed of a decision

231. Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made. Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.
232. Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome.

Implementing the procedure and processes

233. Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements. Schemes should focus on educating and raising awareness

of their internal dispute resolution arrangements and ensuring that they are implemented.

234. Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making. This is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage.
235. Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet. Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website.
236. Scheme managers must provide the following information about the procedure and processes the scheme has in place for the internal resolution of disputes to certain people in certain circumstances:
- prospective members, if it is practicable to do so
  - any scheme members who have not already been given the information
  - certain relevant people who request the information and who have not been given that information in the previous 12 months, and
  - members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment.
237. Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.
238. In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages. Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.
239. Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications should be submitted. Schemes should ensure they make the following information available to applicants:
- the procedure and processes to apply for a dispute to be resolved
  - the information that an applicant must include

- the process by which any decisions are reached, and
  - an acknowledgement once an application has been received.
240. When reviewing an application, scheme managers and specified persons (where relevant) should ensure that they have all the appropriate information to make an informed decision. They should request further information if required. Scheme managers and specified persons should be satisfied that the times taken to reach a decision and notify the applicant are appropriate to the situation and that they have taken the necessary action to meet the reasonable time periods. Scheme managers should be able to demonstrate this to the regulator if required.

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# Complaints Procedure including LGPS Internal Dispute Resolution Procedure (IDRP)



## Introduction

This is the complaints process for the West Sussex Pension Fund ("the Fund") which is administered by West Sussex County Council ("the Administering Authority"). This includes our Internal Dispute Resolution Procedure (IDRP).

From the day you start a job with an employer, decisions are made about your pension rights. Some decisions are made by employers participating in the Fund (such as (eligibility for membership, pensionable and final pay, contribution rate and entitlement to benefit on termination of membership). Some are made by the Administering Authority (such as previous service or employment, additional pension, and entitlement to benefit, or return of contributions).

This purpose of the document is to provide you (whether a members of, or eligible to join the Local Government Pension Scheme) with an informal and formal complaint procedure to follow:

- To allow an issue to be investigated informally and allow us to do our best to put it right.
- To resolve issues formally where you are not satisfied with any decision affecting your pension benefits held within the LGPS or if a decision should have been made by us or your employer, but it has not been.

The Pension Fund's preference is to resolve concerns quickly as soon as they are known about. In the first instance we would always encourage members, or their representatives, to contact the pension administrators directly to resolve any issue with the way that your pension scheme membership dealt with, or the service received. The team can be contacted:

By post: Hampshire Pension Services, The Castle, Winchester, SO23 8UB

By telephone: 01962 845588

By e-mail: [pensions@hants.gov.uk](mailto:pensions@hants.gov.uk)

There are also several other bodies, such as The Pensions Ombudsman (TPO), which may be able to help you. They are described in the '[Additional Help](#)' section of this guide.

## Formal Complaints Procedure

If you would like to make a formal complaint about your pension membership, benefits or administration please use the following two stage procedure:

### Stage 1

The first stage of the complaints' procedure is to email the team at [Pensions.CPD.Team@hants.gov.uk](mailto:Pensions.CPD.Team@hants.gov.uk). They will review your complaint and log this under West Sussex County Council's formal complaints procedure.

We will acknowledge your complaint within three working days and respond within a maximum of 20 working days, although we aim to respond within 10 working days wherever possible.

### Stage 2

If you are unhappy with the response to Stage 1, you can ask that your complaint is reviewed by the Scheme Manager. The Chief Executive will send a final response on behalf of the County Council.

As with Stage 1 we will acknowledge your complaint within three working days and respond within a maximum of 20 working days, although we aim to respond within 10 working days wherever possible.

If you are still unhappy after this, you can ask the Pensions Ombudsman (TPO) to investigate how your complaint has been dealt with.

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## Internal Dispute Resolution Procedure (IDRP)

Making an informal enquiry, or formal complaint, does not affect your statutory right to have your dispute heard under the Internal Dispute Resolution Procedure (IDRP).

If you disagree with a decision made by your employer or the West Sussex Pension Fund in relation to your benefits from the Local Government Pensions Scheme (LGPS), then there is a two stage complaints process in place known as the Internal Dispute Resolution Procedure (IDRP). However, if your complaint is related to a decision made about your pension by your employer, then you must follow your employer's complaints procedure instead.

You can make a complaint under the IDRP if you are:

- A Prospective Member, who is thinking of joining the Scheme
- An Active Member, who is currently contributing to the Scheme;
- A Deferred Member, who has left the Scheme, but your benefits remain in the Pension Fund;
- A Pension Member, who is currently in receipt of a pension benefit from the Pension Fund.

You can ask someone to take your complaint forward on your behalf. This could be, for instance, a trade union official, welfare officer, your husband, wife or partner, or a friend. At any stage during the formal complaint procedure, you can also contact The Pensions Ombudsman (TPO) for information and advice.

All complaints will be treated seriously and considered thoroughly and fairly.

No charge will be made at any stage for investigating a complaint under the IDRP.

The Internal Dispute Resolution Procedure has two stages.

### First Stage

If you have received a decision in relation to your benefits in the LGPS from us and there seem to be good grounds for complaining, you should make a formal complaint:

- in writing to the Director of Finance and Support Services (West Sussex County Council, County Hall, Chichester, PO19 1RG or [TBA])<sup>1</sup>
- normally within six months of the day when you were told of the decision you want to complain about.<sup>2</sup>

You may wish to use the "Application under the Internal Dispute Resolution Procedure" included in the Appendix; however, this is not compulsory.

Your complaint will be considered carefully by a person nominated by the Administering Authority ("the Adjudicator").

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<sup>1</sup> Intention to set up [IDRP.pensions@westsussex.gov.uk](mailto:IDRP.pensions@westsussex.gov.uk)

<sup>2</sup> The Adjudicator can extend the 6 month time limit for a reasonable period where there are special circumstances.



The Adjudicator will give you their decision in writing within two months.

If the Adjudicator's decision differs to the original decision, we will deal with your case in accordance with the Adjudicator's decision.

If the decision you complained about concerned how we exercised a discretion, the Adjudicator may decide that we should reconsider how we exercised our discretion.

If you are unhappy following this first stage decision, you can request that your complaint is looked at again.

Second Stage

The table below summarises when you can ask us to take a fresh look at your complaint:

Your situation	Time limit
You have received a first stage decision on your complaint from the Adjudicator, but you are not satisfied (whether this was made by your Employer or the Administering Authority).	6 months from the date for the Adjudicator decision.
You made your complaint in writing to the Adjudicator, with all the information they needed but, three months later, you have not received their decision on your complaint or any interim reply.	9 months from the date when you submitted your complaint.
You received an interim reply to your complaint to the Adjudicator, within two months of applying to them. Their reply promised you a decision by a specified date but, one month after the specified date, you still have not received their decision.	7 months from the date by which you were promised you would receive a decision.
Your complaint is that we or your employer have failed to make any decision about your LGPS benefits.	6 months from the date when the date when we or your employer should have made the decision. <sup>3</sup>

You will need to send your complaint in writing to the Director of Law and Assurance (West Sussex County Council, County Hall, Chichester, PO19 1RG or [TBA]).

You may wish to use the "Application under the Internal Dispute Resolution Procedure", however this is not compulsory.

This review will be undertaken by a person not involved in the first stage decision but will be considered carefully by a person nominated by the Administering Authority ("the Adjudicator").

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<sup>3</sup> The Adjudicator can extend the 6 month time limit for a reasonable period where there are special circumstances.

The Adjudicator will give you their decision in writing.

If the Adjudicator's decision differs to the original decision, we or your employer (who made the original decision) will deal with your case in accordance with the Adjudicator's decision.

If the decision you complained about concerned how we exercised a discretion, the Adjudicator may decide that we should reconsider how we exercised our discretion.

If you are unhappy following this second stage decision, you can take your case to The Pensions Ombudsman.

### The Pensions Ombudsman

The table below summarises when you can ask The Pensions Ombudsman to take a fresh look at your complaint. Your complaint to The Pensions Ombudsman should be made after consulting with the Ombudsman's advisory service.

Your situation	Time limit
Your complaint was considered as a second stage complaint. You received a decision, but you are still not satisfied.	3 years from the date of the original decision about which you are complaining.
You received an interim reply to your second stage complaint within two months. The reply promised you a decision by a certain date but, by that date, you still have not received their decision.	3 years from the date of the original decision about which you are complaining

You will need to send your complaint in writing to The Office of the Pensions Ombudsman ([enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk) or by using their [online form](#)).

Before the Pensions Ombudsman will investigate a complaint, you must have first tried to resolve matters with the party or parties you think are at fault.

When you make a complaint to the Pensions Ombudsman, you will have to provide evidence that you have raised your complaint with the party/parties you believe to be at fault and given them an opportunity to respond.

TPO's decision is final and binding on all the parties, subject to any appeal made to the High Court on a point of law.

## Additional Help

### The Pension Advisory Service (TPAS)

[The Pension Advisory Service \(TPAS\)](#) provides information and guidance to help make you make informed decisions about your pensions and retirement plans. They will try to help you get the answers you need or identify the people you need to speak to.

TPAS will not provide any information or guidance that could be construed as regulated financial advice and any opinions expressed by TPAS should not be regarded as grounds for legal action.

TPAS can be contacted:

By post: The Pensions Advisory Service, 120 Holborn, London, EC1N 2TD

By telephone: 0800 011 3797

By webchat: <https://www.pensionsadvisoryservice.org.uk/chat>

### Pensions Ombudsman

[The Pensions Ombudsman \(TPO\)](#) can provide free advice and information to explain your rights and responsibilities and operate an Early Resolution Service which aims to - wherever possible - resolve complaints informally at an early stage. Where appropriate, this can be before IDR has been completed.

Leaflets published by The Pensions Ombudsman can be found [here](#).

TPO can be contacted:

By post: The Office of the Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB

By email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

By telephone: 0800 917 4487

## Appendix to the Internal Dispute Resolution Procedure (IDRP) of the West Sussex Pension Fund

### Application under the Internal Dispute Resolution Procedure

You can use this form:

- a) to apply to the nominated person at stage 1 of the internal dispute resolution procedure if you want them to investigate a complaint concerning your pension; and
- b) to apply to the administering authority if you want them to reconsider a determination made by the nominated person.

Please write clearly in ink, and use capital letters in boxes 1, 2 and 3.

#### 1. Member's details:

If you are the member (the person who is or was in the Scheme), or a prospective member (a person who is eligible to be a member of the Scheme), please give your details in this box. You can then go straight to box 4.

If you are the member's dependant (for example, their husband, wife or child), please give the member's details in this section, and then go to box 2.

If you are representing the person with the complaint, please give the member's details in this section, and then go to box 2.

Full Name	
Address	
Date of Birth	
Employer	
National Insurance Number	

#### 2. Dependant's details:

If you are the member's dependant and the complaint is about a benefit for you, please give **your** details in this box and then go to box 4.

If the complaint is about a benefit for a dependant and you are the dependant's representative, please give the dependant's details in this box and then go to box 3.

Full Name	
Address	
Date of Birth	
Relationship to member	

**3. Representative's details:**

If you are the member's or dependant's representative, please give your details in this box.

Full Name	
Address	
The address response letters should be sent to	

**4. Your complaint**

Please give full details of your complaint in this box. Please try to explain exactly why you are unhappy, giving any dates or periods of Scheme membership that you think are relevant.

**If there is not enough space, please go on to a separate sheet and attach it to this form.** Remember to write your name and national insurance number at the top of any separate sheet if you are a member. Or, if you are not a member, put the member's name and national insurance number at the top of any separate sheet.

**5. Your signature**

I would like my complaint to be considered and a decision to be made about it. I am a:

Scheme member/former member/prospective member *	
Dependant of a former member *	
Member's representative/dependant's representative *	
* delete as appropriate	
Signed :	Date :

**6. Please enclose a copy of any notification of the decision you are complaining of which has been issued by the employer or administering authority.** Also enclose any other letter or notification that you think might be helpful.

**PLEASE SEND THIS FORM TO:**

<p><b>Stage 1:</b> Administering Authority Adjudicator</p>	<p><b>Director of Finance and Support Services</b></p>
	<p>West Sussex County Council County Hall Chichester PO19 1RG</p>
<p><b>Stage 2:</b> Administering Authority Adjudicator</p>	<p><b>Director of Law and Assurance</b></p>
	<p>West Sussex County Council County Hall Chichester PO19 1RG</p>

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# Conflict of Interest Policy



## Introduction

Local Government Pension Scheme (LGPS) administering authorities have both fiduciary and public law duties to act in the best interest of both the scheme beneficiaries and participating employers. However the other roles or responsibilities for those with LGPS administering authority responsibilities, as well as for advisers to LGPS funds, presents potential or actual conflicts of interest – for example as an elected member of an employer participating in the LGPS, or as an adviser to more than one LGPS administering authority, or where an individual personal, business or other interest presents, which might conflict, or be perceived to conflict, with an individual's role managing or advising LGPS funds.

It is therefore considered good practice to document how any such conflicts or potential conflicts are to be managed by those involved in the management and governance, encouraging transparency, and minimising the risk of any matter prejudicing decision making or management of the Fund otherwise.

This is the Conflict of Interest Policy of the West Sussex Pension Fund, which is managed and administered by West Sussex County Council (the Administering Authority) and is aimed at providing guidance to West Sussex Pension Committee (PC) Members, West Sussex Pension Advisory Board (PAB) Members, all officers in the West Sussex Pensions Team and the Director of Finance and Support Services (Section 151 Officer), Advisers and suppliers.<sup>1</sup> This Policy also applies where Members of the PC and PAB and officers of the Fund act as a representative of the Fund on another board, Committee, groups and bodies, including the ACCESS Joint Committee.

It is expected that each individual must:

- acknowledge any potential conflict of interest they may have;
- be open with the Administering Authority and any other body on which they represent the Administering Authority, on any actual or potential conflicts of interest they may have;
- adopt practical solutions to managing those conflicts; and
- plan ahead and agree with the Administering Authority how they will manage any conflicts of interest which arise in future.

The Pension Fund Strategist will monitor potential conflicts for all officers involved in the Fund and highlight this Policy to them as the Pension Fund Strategist considers appropriate. However, it is the responsibility of each individual covered by this Policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties, to declare and register interests and seek advice and to withdraw from meetings if they are not complying.

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<sup>1</sup> Advisers and suppliers includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third party administrators, fund managers, lawyers, custodians and AVC providers. Where an advisory appointment is with a firm rather than an individual, reference to "advisers" is to the lead adviser(s) responsible for the delivery of advice and services to the Administering Authority rather than the firm as a whole.

## What is a Conflict or Potential Conflict and how will they be managed?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions.

Therefore, a conflict of interest may arise when an individual:

- has a responsibility or duty in relation to the management of, or provision of advice to, the LGPS fund administered by West Sussex County Council;
- at the same time has a separate personal interest (financial or otherwise); or
- has another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility; or
- has an interest due to a family member or close colleague having a specific responsibility or interest in a matter.

The Administering Authority will encourage a culture of openness and transparency and will encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed.

The Pension Fund Strategist in consultation with the West Sussex County Council's Monitoring Officer will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

Ways in which conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue;
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a PC meeting); or
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

Provided that the Administering Authority, having taken any professional advice deemed to be required, is satisfied that the method of management is satisfactory it will endeavour to avoid the need to advise an individual to resign due to a conflict of interest or to request the appointing body to reconsider their appointment to the PAB or PC. Where a PAB Member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Board.

## Procedure

With the exception of advisers and suppliers, the following procedures must be followed by all individuals to whom this policy applies.

What is required	How this will be done
Step 1 - Initial identification of interests which do or could give rise to a conflict	<p>All individuals will be provided with a copy of this Policy and be required to complete a Registration of Interest Form. The information contained in these forms will be collated into the Pension Fund Register of Interests. The latest version of the Register of Interests at the first meeting of the PC and PAB in each financial year to ensure it is up to date.</p> <p>The Register will be made available by the Pension Fund Strategist to the Chairman of every meeting prior to that meeting, where relevant. The Pension Fund Strategist is responsible for monitoring the Register on an ongoing basis to determine if any actual or potential conflict could impact on the ongoing business of the West Sussex Pension Fund.</p>
Step 2 - Ongoing notification and management of potential or actual conflicts of interest	<p>Members and officers are invited to make any declaration of personal or prejudicial interests that they may have in relation to items on a meeting agenda and are reminded to make any declaration at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered. If such a conflict is identified outside of a meeting the notification must be made to the Pension Fund Strategist. All declarations will be recorded on a Declarations Log for the meeting and also in the Fund's Register of Interest.</p> <p>The Chairman, in consultation with the Pension Fund Strategist and the County Council's Monitoring Officer, should decide whether the conflicted or potentially conflicted individual is advised to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter. Whilst ultimately it is for the member to decide whether or not to be present, but if they do not follow advice they are at risk of a formal complaint being made.</p> <p>The Log will be made available by the Pension Fund Strategist to the Chairman of every meeting prior to that meeting, where relevant.</p>
Step 3 - Periodic review of potential and actual conflicts	<p>At least once every 12 months, the Pension Fund Strategist will provide to all individuals to whom this Policy applies a copy of the Fund's Register of conflicts of interest. All individuals will be asked to complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration. The updated Register will then be circulated by the Pension Fund Strategist to all individuals to whom it relates.</p> <p>If a member fails to do so the matter will be escalated to the Chairman of the PC or Chairman of the PAB (as applicable).</p>

There may be circumstances where advisers are asked to give advice to scheme employers, scheme members or member representatives such as the Trades Unions, in relation to pension

matters. An adviser may also be appointed to another administering authority which is involved in a transaction involving the West Sussex Pension Fund and on which advice is required or to a supplier or organisation providing services to the West Sussex Pension Fund. An adviser can only continue to advise the Administering Authority and another party where there is no conflict of interest in doing so.

An adviser appointed to advise the PC, PAB or Fund officers can be the same person, as long as there is no conflict of interest between the multiple responsibilities.

All advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated;
- adhere to the principles of this Policy;
- provide, on request, information to the Pension Fund Strategist in relation to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to West Sussex County Council as Administering Authority;
- notify the Pension Fund Strategist immediately should a potential or actual conflict of interest arise; and
- highlight at all meetings should a potential or actual conflict of interest arise, preferably at the start of the meeting.

All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of Interest.

## Other relevant Policies

Party	Administering Authority Requirement
<u>All</u>	<p>For the purposes of this Policy, gifts such as t-shirts, pens, trade show bags and other promotional items (subject to a notional maximum value of £25 per item) obtained at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event do not need to be declared. Fund Officers are also required to comply with the <a href="#">Guidance on Propriety and Official Conduct</a></p>
<u>Pensions Committee</u>	<p>All Members of the PC have an overriding legal obligation to follow and abide by the requirements of the Localism Act 2011 and West Sussex County Council's <a href="#">Code of Member Conduct</a> relating to the treatment and disclosure of certain disclosable pecuniary interests and Code Interest.</p> <p>Accordingly, for those members, disclosures under this policy may be in addition to disclosures under the Council's Code of Conduct/the Localism Act 2011.</p> <p>Members of the PC are also required to complete an online register of interests and submit it to West Sussex County Council's Monitoring Officer. This will be published on the internet unless it is agreed that publication of all or part of it will cause a threat to a Member's safety.</p>
<u>Pension Advisory Board (PAB) Members</u>	<p>PAB Members are required to adhere to the West Sussex County Council's <a href="#">Members' Code of Conduct</a> in relation to the standards of conduct of Board members, including the non-disclosure of confidential information.</p> <p>Members of PAB are also required to complete an online register of interests and submit it to West Sussex County Council's Monitoring Officer. This will be published on the internet unless it is agreed that publication of all or part of it will cause a threat to a member's safety.</p>
<u>Fund Officers</u>	<p>Officers of West Sussex County Council are required to adhere to the West Sussex County Council <a href="#">Officers' Standards of Conduct</a> and its <a href="#">Guidance on Propriety and Official Conduct</a> which includes requirements in relation to the disclosure and management of potential or actual conflicts interest or relationships (financial and non-financial) that may impact on their work or that of West Sussex County Council.</p>

## Key Risks

The key risks to the delivery of this Policy are outlined below. All of these could result in an actual conflict of interest arising and not being properly managed. The Pension Fund Strategist will monitor these and other key risks and consider how to respond to them.

- Insufficient training or poor understanding in relation to individuals' roles on pension fund matters;
- Insufficient training or failure to communicate the requirements of this Policy;
- Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy;
- Failure by a chairman to take appropriate action when a conflict is highlighted at a meeting; and
- A decision by an individual to disregard advice and be subject to formal action under the Localism Act 2011.

## Costs

All costs related to the operation and implementation of this Policy will be met directly by West Sussex Pension Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

## Approval, Review and Consultation

This Conflict of Interest Policy was approved on XXX by the PC. It will be formally reviewed and updated at least every three years or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

## Further Information

If you require further information about anything in or related to this Conflict of Interest Policy, please contact:

Vickie Hampshire, Finance Manager – Pension Fund Governance, West Sussex Pension Fund  
Email – [vickie.hampshire@westsussex.gov.uk](mailto:vickie.hampshire@westsussex.gov.uk)

Rachel Wood, Pension Fund Strategist  
Email – [rachel.wood@westsussex.gov.uk](mailto:rachel.wood@westsussex.gov.uk)

West Sussex Pension Fund  
County Hall  
Chichester  
West Sussex  
PO19 1RG

## Appendix A – Declaration of Interest Form

Form to Register Interests relating to the management of West Sussex Pension Fund administered by West Sussex County Council

I, [insert full name], am:

- an officer involved in the management
- Pension Committee Member
- Pension Advisory Board Member

of West Sussex Pension Fund and I set out below under the appropriate headings my interests, which I am required to declare under West Sussex Pension Fund Conflict of Interest Policy. I have put "none" where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest (please list and continue overleaf if necessary):

Relating to me -

Relating to family members or close colleagues -



## Appendix B - Legislative and related context

The overriding requirements in relation to the management of potential or actual conflicts of interest for those involved in LGPS funds are contained in various elements of legislation and guidance. These are considered further below.

### The Public Service Pensions Act 2013

Section 5 of this Act requires that the scheme manager (in the case of the LGPS, this is the Administering Authority) must be satisfied that a PAB (referred to in legislation as the Local Pension Board) Member does not have a conflict of interest at the point of appointment and thereafter. It also requires PAB Members to provide reasonable information to the scheme manager for this purpose. The Act defines a conflict of interest as "a financial or other interest which is likely to prejudice the person's exercise of functions as a Member of the Board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)."

Further, the Act requires that scheme managers must have regard to any such guidance that the national Scheme Advisory Board issue (see below).

### The Local Government Pension Scheme Regulations 2013

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each Administering Authority to satisfy itself that PAB Members do not have conflicts of interest on appointment or whilst they are Members of the Board. It also requires those PAB Members to provide reasonable information to the Administering Authority in this regard.

Regulation 109 states that each Administering Authority must have regard to guidance issued by the Secretary of State in relation to Local Pension Boards (PAB). Further, regulation 110 provides that the national Scheme Advisory Board has a function of providing advice to Administering Authorities and Local Pension Boards. The LGPS National Scheme Advisory Board issued guidance relating to the establishment of Local Pension Boards including a section on conflicts of interest. This Conflict of Interest Policy has been developed having regard to that guidance.

### The Pensions Act 2004

Section 90A of the Pension Act 2004 requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for PAB Members. The Pensions Regulator has issued such a code and this Conflict of Interest Policy has been developed having regard to that code.

Further, under section 13, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is considered that the requirements relating to conflicts of interest for PAB Members are not being adhered to.

### CIPFA Investment Pooling Governance Principles for LGPS Administering Authorities Guidance

The CIPFA governance principles guidance states "the establishment of investment pooling arrangements creates a range of additional roles that committee members, representatives, officers and advisers might have." It includes some examples of how conflicts of interest could arise in these new roles. It highlights the need for Administering Authorities to:

update their conflicts policies to have regard to asset pooling;

remind all those involved with the management of the fund of the policy requirements and the potential for conflicts to arise in respect of asset pooling responsibilities; and ensure declarations are updated appropriately.

This Conflict of Interest Policy has been updated to take account of the possibility of conflicts arising in relation to asset pooling in accordance with the CIPFA governance principles guidance.

#### Localism Act 2011

All members and co-opted members of the PC are required by the Localism Act 2011 to register and declare 'disclosable pecuniary interests' and abide by West Sussex's Code of Conduct for Members. That Code contains provisions relating to Code Interests and Disclosable Pecuniary Interests, their disclosure and limitations on members' participation where they have any such interest.

#### The Seven Principles of Standards in Public Life

Sometimes known as the 'Nolan Principles', the seven principles of public life apply to anyone who holds public office. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:

- the civil service;
- local government;
- the police;
- the courts and probation services;
- non-departmental public bodies; and
- health, education, social and care services.

The principles also apply to all those in other sectors that deliver public services. Many of the principles are integral to the successful implementation of this Policy. The principles are as follows:

- selflessness;
- integrity;
- objectivity;
- accountability;
- openness;
- honesty; and
- leadership.

#### Advisers' Professional Standards

Many advisers will be required to meet professional standards relating to the management of conflicts of interest, for example, the Fund Actuary will be bound by the requirements of the Institute and Faculty of Actuaries. Any Protocol or other document entered into between an adviser and the Administering Authority in relation to conflicts of interest, whether as a requirement of a professional body or otherwise, should be read in conjunction with this Policy.

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