

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 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