

## **Pension Advisory Board**

22 May 2023 – At a meeting of the Pension Advisory Board held at 9.30 am at County Hall, Chichester PO19 1RQ.

Present: Peter Scales (Chairman)

Richard Cohen, Kim Martin, Miranda Kadwell, Becky Caney and Richard Walton

Apologies were received from Clare Williams

Also in attendance: Taryn Eves (Director of Finance and Support Services), Rachel Wood (Pension Fund Strategist), Vickie Hampshire (Pension Governance Manager) and Adam Chisnall (Democratic Services Officer).

### **Part I**

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

53.1 None declared.

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

54.1 Resolved – That the minutes of the meeting of the Board held on 10 February 2023 be approved as a correct record and signed by the Chairman.

#### **55. Pension Advisory Board Membership**

55.1 The Board noted that the Chairman had agreed to reappoint Richard Cohen as an Employer Representative on the Board for a third four year term.

55.2 The Chairman informed the Board that this meeting would be Miranda Kadwell's last meeting and thanked her for her contributions to the Board.

55.3 The Chairman confirmed to the Board that plans were in place to recruit for the Scheme Member Representative vacancy, and the Employer Representative vacancy that would become available following Miranda Kadwell's exit.

#### **56. Progress Statement**

56.1 That the Board noted that there were no outstanding issues.

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

57.1 The Board considered the confirmed part I minutes from the 30 January 2023 Pensions Committee meeting and the Agenda from the 28 April 2023 Pensions Committee meeting (copies appended to the signed minutes).

57.2 The Board queried the meaning of a 'bail-in risk'. – Rachel Wood explained this was a bank failure risk in losing held money and how it was ringfenced. Officers had updated the Treasury Management Strategy to reflect this, and resolved to share it with the Board.

57.3 Resolved – That the minutes and agenda be noted.

## **58. Business Plan Update**

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

58.2 The Chairman introduced the report and highlighted the Business Plan Performance Report for 2022/23 which included the commentary from the Annual one to one meetings between the Chairman and Board members. The areas for attention were the same as the previous year, with the inclusion of potential pensions/cyber scams.

58.3 The Board made comments including those that follow.

- The Board noted within the budget that no training expenses had been used, but recognised this was due to the Hymans Robertson training programme.
- Noted that the budget allocated £1,000 towards legal fees, and queried if this was too low to be effective. – The Chairman confirmed that the funds were allocated within the budget to demonstrate that plans could be put in place if required. Rachel Wood agreed to take the point away and look at the processes involved and report back to the Board. Vickie Hampshire proposed adding clarity to the Pension Advisory Board handbook. The Chairman felt it was important for the Board to know where they could flag concerns.

58.4 Rachel Wood introduced the 2023/24 Business Plan which outlined the key activities undertaken in 2022/23, such as the Actuarial Valuation and preparations for the McCloud changes that would be implemented 2023/24. Work had also been done to review the Investment Strategy. Rachel Wood also explained the delay in approving the financial statements for 31 March 2022 had been linked to a national issue causing delays to the County Council's financial statements.

58.5 For the current year it was expected that the Good Governance Consultation would be circulated and that the Pension Regulator's single code of practice would be applied.

58.6 Vickie Hampshire introduced the full Risk Register which included an overview to cover all underlying risks. It was confirmed that cyber was likely to continue to be a red risk in the long term to align with the County Council's rating which reflected the risks in the cyber environment. The risk for the Link contract was reduced as the contract end date drew nearer.

58.7 The Board made comments including those that follow.

- Highlighted the potential requirement for additional resources for the administration and communication priorities. – Rachel Wood

explained that the work may require external resources for campaigns that run for the whole fund or individual employers. The Board requested to be kept up to date on this work.

- Sought clarity on the reference to ACS within the Freedom of Information request risk. – Rachel Wood confirmed this should be ASU (for ACCESS Support Unit).
- Questioned the proposed Cyber Security training for the year. – Rachel Wood confirmed that this was an aspiration for the year. Vickie Hampshire confirmed that officers were always monitoring external training options.
- Queried dashboard training. – Vickie Hampshire resolved to look into this.

58.8 Resolved – That the Board:

- i. agrees the performance report for 2022/23, and that the Pensions Committee and Governance Committee be informed.
- ii. agrees the performance information for inclusion in the pension fund annual report for 2022/23.
- iii. agrees the draft Pension Advisory Board's Business Plan for 2023/24 and that the Pensions Committee be informed.
- iv. notes the Pensions Committee's Business Plan for 2023/24 and full risk matrix.

## **59. Administration procedures and performance**

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

59.2 The Chairman welcomed Andrew Lowe to the meeting.

59.3 Taryn Eves introduced the report and began by thanking Andrew Lowe and his team for their support and service to the fund. Taryn Eves reported that 48% of members had registered on the Member Portal. The figure had been investigated for comparison, and found to be broadly in line with other funds. Taryn Eves also confirmed that the Government had delayed the Pension Dashboard introduction.

59.4 Taryn Eves referred to the five transfer requests that had been made to other funds within the quarter, and confirmed they were from the same organisation. Officers were monitoring the situation.

59.5 The Board made comments including those that follow.

- Raised concerns that there had been three complaints where estimates had been lower than expected. – Rachel Wood explained that the complaints had each come from members with particular circumstances. The estimates included errors including where records had not been closed down properly, which led to double counting of benefits. Two of the complaints were with the Pensions Ombudsmen whose guidance and case history indicated that members should only be entitled to their pension benefits. Officers were working on messaging to remind members of the importance

of checking their Annual Benefit Statements. Use of the Employer Hub helped improve data quality.

- Kim Martin commented that she had found the Hub difficult to use and had observed errors with incorrect members of staff. – Andrew Lowe noted the comment and confirmed that the Hub was being developed to improve usability. Taryn Eves commented on the observed errors and felt this highlighted that the Hub could assist with data accuracy and ensuring people were responsible for data.
- Queried if the Pensions Dashboard would be able to help with data errors with the Hub. – Andrew Lowe commented that the Dashboard would help generally with data, but not specifically with errors in the Hub. It was hoped that accurate benefit statements would assist people with checking accurate information.

59.6 Resolved – That the Board notes the update.

## **60. Communication Strategy**

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

60.2 Rachel Wood introduced the report with outlined communications that had been delivered and what was also upcoming.

60.3 The Board made comments including those that follow.

- Welcomed the Department for Levelling Up, Housing & Communities (DLUHC) McCloud factsheet and queried if it would be circulated. – Rachel Wood confirmed that the factsheet had been made available on the website. Members of the Board felt that information on the McCloud impact on Annual Benefit Statements could be useful.
- Queried the McCloud impact on annual allowances. – Rachel Wood confirmed that the ruling was to ensure that members were not disadvantaged. Andrew Lowe confirmed that the tax implications of implementing McCloud were the subject of a current government, consultation (**post meeting addition** - which runs until the 19 June), so further guidance on tax implications is awaited.
- Asked if feedback had been received on Newsletters. – Andrew Lowe indicated that he was not aware of any feedback having been received.

60.4 Resolved – That the Board notes the update.

## **61. Regulations and Governance update**

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

61.2 The Chairman introduced the report and confirmed to the Board that he had circulated all published LGPS Bulletins.

61.3 The Chairman confirmed that the combined Pension Regulator code of practice was due in July, and would likely come into effect after the summer.

61.4 Resolved – That the Board note the current issues relating to Scheme Regulations and Governance.

## **62. Policy Documents**

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

62.2 Vickie Hampshire introduced the report and informed the Board that the Valuation report and Funding Strategy Statement had been published ahead of the 31 March deadline in line with regulations.

62.3 Resolved – That the Board note the register of Policy Documents and acknowledge regulatory publication compliance of the Valuation report and Funding Strategy Statement.

## **63. Date of Next Meeting**

63.1 The Board noted that its next scheduled meeting would take place on Friday 28 July 2023 at 9.30 a.m. at County hall, Chichester.

## **64. 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.

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

The Board agreed the Part II minutes of the 10 February 2023 meeting and they were signed by the Chairman.

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

The Board noted the contents of Part II minutes from the 30 January 2023 Pensions Committee meeting.

## **67. Investment Strategy Statement**

The Board considered the report by the Director of Finance and Support Services from the 28 April 2023 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

## **68. ACCESS Update**

The Board considered the report by the Director of Finance and Support Services from the 28 April 2023 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

## **69. Investment Performance**

The Board considered the report by the Director of Finance and Support Services from the 28 April 2023 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 11.15 am

Chairman