

Public Document Pack

Tony Kershaw
Director of Law and Assurance

If calling please ask for:

Suzannah Hill on 033 022 22551
Email: suzannah.hill@westsussex.gov.uk

www.westsussex.gov.uk

County Hall
Chichester
West Sussex
PO19 1RQ
Switchboard
Tel no (01243) 777100



1 February 2024

Pension Advisory Board

A meeting of the Board will be held at **9.30 am** on **Friday, 9 February 2024** at **County Hall, Chichester PO19 1RQ**.

Tony Kershaw
Director of Law and Assurance

Agenda

Part I

1. **Declarations of Interests and Conflicts**

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

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

The Board is asked to agree the Part I minutes of the meeting of the Board held on 13 November 2023.

3. **Urgent Matters**

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

4. **Part II Matters**

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

5. **Pensions Committee**

The Board is asked to note the confirmed Part I minutes from the meeting of the Pensions Committee on 01 November 2023 and the agenda from the meeting of the Pensions Committee on 29 January 2024.

a) **01 November 2023 - Part I Pensions Committee Confirmed Minutes** (Pages 11 - 16)

b) **29 January 2024 - Pensions Committee Agenda** (Pages 17 - 20)

6. **Business Plan Update** (Pages 21 - 42)

Report by the Chairman of the Pension Advisory Board.

The Board is asked to agree the performance report for 2023/24 in Appendix A, and that the Pensions Committee and Governance Committee be informed, agree the performance information for inclusion in the pension fund annual report for 2023/24 as set out in Appendix B, agree the draft PAB Business Plan for 2024/25 in Appendix C and that the Pensions Committee be informed, and note the Pensions Committee's business plan update report attached as Appendix D.

7. **Administration procedures and performance** (Pages 43 - 50)

Report by Director of Finance and Support Services.

The Board is asked to note the report.

8. **Communication Strategy** (Pages 51 - 80)

Report by Director of Finance and Support Services.

The Board is asked to note the report and the updates in Appendix A.

9. **Regulations and Governance update** (Pages 81 - 86)

Report by the Chairman of the Pension Advisory Board.

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

10. **Review of Pension Fund Policy Documents** (Pages 87 - 128)

Report by Director of Finance and Support Services.

The Board is asked to note the register of policy documents and provide feedback on the policy documents in respect of their compliance with regulations and guidance.

11. **Date of Next Meeting**

The next meeting of the Board will be held at 9.30 am on 20 May 2024.

Part II

12. **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).

13. **Part II Minutes of the last meeting** (Pages 129 - 132)

The Board is asked to confirm the Part II minutes of the meeting of the Board held on 13 November 2023.

14. **Part II Minutes of the last meeting of the Pensions Committee** (Pages 133 - 138)

The Board is asked to note the confirmed Part II minutes from the meeting of the Pensions Committee on 01 November 2023.

15. **Strategy Review** (Pages 139 - 154)

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

The Board is asked to consider the covering report and the Strategy Session report which went to the Pensions Committee on 29 January 2024.

16. **Investment Strategy Implementation** (Pages 155 - 156)

Report by the Director of Finance and Support Services.

The Board is asked to consider the report which went to the Pensions Committee on 29 January 2024.

17. **LGPS Investment Pooling** (Pages 157 - 170)

Report by the Director of Finance and Support Services.

The Board is asked to consider the report which went to the Pensions Committee on 29 January 2024.

To all members of the Pension Advisory Board

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Pension Advisory Board

13 November 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, Becky Caney, Ann Phillips and Richard Walton

Apologies were received from Kim Martin

Part I

16. Declarations of Interests and Conflicts

16.1 Peter Scales declared an interest as the Senior Advisor at Apex in respect of the Update from ACCESS Joint Committee activity (September 2023).

17. Part I Minutes of the last meeting

17.1 Resolved – That the minutes of the meeting of the Board held 28 July 2023 be approved as a correct record and signed by the Chairman.

18. Pensions Committee Minutes - Part I

18.1 The Board considered the confirmed part I minutes from the 26 July 2023 Pensions Committee meeting and the Agenda from the 01 November 2023 Pensions Committee meeting (copies appended to the signed minutes).

18.2 The Chairman, Peter Scales commented in respect of minute 4.2a, that it was pleasing to see that the liaison between the Board and the Committee was working well.

18.3 Resolved – That the minutes and agenda be noted.

19. Business Plan Update

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

19.2 The Chairman introduced the report and highlighted that, as had been the case in for the previous few meetings, there had been slow progress on national initiatives in terms of activities with the exception of the 'Next Steps on Investments' consultation which had been launched in July and for which government feedback was awaited.

19.3 The Chairman alerted members to the schedule for Annual Performance Reviews and that meetings would be set up between the Chairman and individual Board members in the near future.

19.4 Rachel Wood, Pensions Strategist, highlighted at Appendix B that work was continuing into quarter 3 to address the governance priority concerning cyber-attack, as was work on building knowledge and data on carbon metrics while the government response on the governance and reporting of climate change risks consultation was awaited.

19.5 The Board made comments including:

- a. to note, on the Pension Fund accounts audit which would be presented to the Regulation, Audit and Accounts Committee on 01 December, that the national issue with the accounts completion backlog continued, and to question whether anything had come of the Scheme Advisory Board suggestion that Pension Funds be separated out. Vickie Hampshire, Finance Manager, said that no response had been received on that point as yet
- b. to remind members of the Pension Fund accounts training taking place on 16 November
- c. to question, on the National Fraud Initiative audit work, how the four cases of pensions being paid where death certificates had been issued had come about. Rachel Wood explained that the WSCC team had investigated and confirmed which cases required recovery, also that this number of cases identified was not unexpected and did not point to a systemic issue
- d. to note on training, that the report to the next meeting would include data for the LGPS Online Learning Academy (LOLA). Vickie Hampshire reminded members to alert her to any training undertaken except those undertaken via the LOLA portal, which updated the information to the register automatically
- e. to question what the feedback was on membership of Pensions for Purpose. Rachel Wood explained that more information on this stakeholder group, which looked at investment trends, was linked via the Part II papers and that membership was in line with the Pension Committee's Investment Strategy Statement and highly rated by fund managers and other LGPS funds.

19.6 Resolved – That the Board noted the update on the Business Plans of the Board and of the Pensions Committee.

20. Updated report: Administration Procedures and Performance

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

20.2 Rachel Wood introduced the report and highlighted key activity as set out in the summary including that 99% of deferred and active benefit

statements had been published by the statutory deadline. Andrew Lowe, Head of Pensions, Investments and Borrowing, added that the Pension Savings Statements had also been published by the deadline.

20.3 Andrew Lowe, reported mixed results in respect of the employer performance review relating to the End of Year exercise, with a general reduction in the quality of data received and highlighted that, in response, the team had been undertaking targeted engagement, training and monitoring to support improvements.

20.4 The Board made comments including:

- a. to question the reason for the poor quality of data received from employers. Andrew Lowe explained that there were various factors including, poor knowledge, resource issues and difficulty with reporting systems. Rachel Wood added that work continued to assist employers to engage with the portal to support improvements
- b. to note the change in ratings for AVC arrangements on costs and charges and admin and question the reason for this. Rachel Wood explained that the AVC providers charges (L&Gs) charges were in line with other AVC suppliers also that with the addition of further LGPS funds, the West Sussex fund would benefit from the larger provider platform
- c. to question on the table at 4.1, the correlation between employers with active and non-active members. Rachel Wood responded that this was not clear cut and could reflect the new employers having more active members
- d. to question the correlation between the information at 5.4 and that preparation for new regulations as set out at 5.7. Rachel Wood explained that 5.4 reflected employers giving information while 5.7 concerned the output, also that the preparation issue was not unique to West Sussex
- e. to comment, regarding the update to the Funding Strategy Statement, that the guarantee from the Department for Education was a solution to a long running issue and would support the team in its work following academy outsourcing.

20.5 Resolved – That the Board noted the Administration Report which went to the 01 November 2023 Pensions Committee.

21. Communication Strategy

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

21.2 Rachel Wood introduced the report and highlighted activity since the last meeting including that the scheme website had been updated with information on Annual Benefit Statements, that posters had been provided for workplaces related to accessing the member portal and that employers had been contacted regarding training available during the autumn. The Chairman questioned attendees to date for the training. Rachel Wood responded that there had been a reasonable turnout.

21.3 Resolved – That the Board noted the updates in Appendix A.

22. Regulations and Governance Update

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

22.2 The Chairman introduced the report and confirmed he had circulated to Board members all published LGPS Bulletins. The Chairman drew attention to recent regulations and governance work including the summary of the work of the Scheme Advisory Board, the Department for Levelling Up, Housing and Communities (DLUHC) consultation entitled 'Next Steps to Investments' and the continuing process by the Pensions Regulator to bring into force the new 'General Code'.

22.3 The Board made comments including:

- a. to note that feedback was awaited from the government on its 'Next Steps to Investment' consultation
- b. that moves to consider the allocation of large pension schemes to new initiatives were also being considered in the private sector, but there was no legislation for this and none hinted at in the Kings Speech nor the Autumn Statement
- c. to note that this was a long-running issue and pension schemes had been asked in the past to invest in private equity.

22.4 Resolved – That the Board noted the current issues relating to Scheme Regulations and Governance.

23. Review of Pension Fund Policy Documents

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

23.2 Vickie Hampshire introduced the report and appendices which contained one draft policy for review, the Review of Administering Authority Discretions at Appendix B, which while not a statutory requirement, would support Board members to ensure they have the relevant knowledge and understanding of the Scheme regulations and help support the Scheme Manager in compliance with the regulations.

23.3 The Board made comments including:

- a. to query the term 'SCAPE discount rate'. Vickie Hampshire explained that this referred to the underlying rate used when taking assumptions about liabilities
- b. to comment that there was no regulatory requirement to publish this paper but it was best practice and did help in reporting against whether discretions had been applied, for instance where there had been a death grant
- c. to comment that the detailed and updated report was most helpful
- d. to comment, on death benefits particularly, that the report gave helpful parameters.

23.4 Resolved –

1. That the Board noted the register of Policy Documents at Appendix A; and
2. provided feedback on the policy documents presented at the Pensions Committee meeting at Appendix C, in respect of their compliance with regulations and guidance.

24. Investment Performance

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

24.2 Rachel Wood introduced the report, the second iteration to be supplied as a Part I document, which set out the current valuation and position of the Fund accounts. The Board noted that the table at paragraph 2.1 represented 5 months' worth of data rather than 6 months as suggested in the header, also that cashflow was included at paragraph 3.2 and the team would continue to refine the data for future reports.

24.3 The Board made comments including:

- a. to question when a move to negative cashflow was anticipated. Rachel Wood explained that a tipping point would come, the estimated benefit increase was 6.7% which was higher than anticipated, but that currently the property portfolio provided an important second source of income provision. The Board noted that the positive funding position was not unique to the West Sussex scheme and that it was important to keep contributions at the current level and stable
- b. to question whether the listed (equity and bond) portfolio returns were reinvested. Rachel Wood explained that there were two dates in the year when returns were paid back, at the moment they are being reinvested which was useful for growth
- c. to question the current position on the 50/50 Scheme, given that if more members move to that option then the income would fall. Rachel Wood explained that no large change had been seen but this would be kept under review, also that this option was often used by higher earners
- d. to comment with regard to the 50/50 Scheme, that it had originally been intended to support those with lower earnings
- e. to question whether it was possible to accurately reflect the net asset position (i.e. including liabilities) in a Part I paper. Taryn Eves responded that this would be considered and kept under review
- f. to note that the table at Paragraph 4.1 should refer to September not June.

24.4 Resolved - That the Board noted the report which went to the Pensions Committee on 01 November 2023

25. Date of Next Meeting

25.1 The Chairman highlighted that his tenure as Chairman would soon end and noted that a report would be made to the next meeting of the Governance Committee concerning recruitment.

25.2 The Board noted that its next scheduled meeting would take place on 09 February 2024 at 9.30 a.m. at County Hall, Chichester.

26. 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 items 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.

27. Part II Minutes of the last meeting

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

28. Pensions Committee Minutes – Part II

The Board noted the contents of the Part II minutes of the 26 July 2023 meeting of the Pensions Committee meeting.

29. Investment Strategy Implementation

The Board considered a report by the Director of Finance and Support Services to the 01 November 2023 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

30. Update from ACCESS Joint Committee activity (September 2023)

The Board considered a report by the Director of Finance and Support Services to the 1 November 2023 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 11.06 am

Chairman

Pensions Committee

1 November 2023 – At a meeting of the Pensions Committee held at 10.00 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Hunt (Chairman)

Cllr Condie, Cllr J Dennis, Cllr Elkins, Cllr N Jupp, Cllr Turley, Cllr Urquhart, Mr Kipling, Mr Stretton and Mr Chilton

Part I

20. Declarations of Interests

20.1 Cllr. Roger Elkins declared an interest in respect of his membership of the West Sussex Local Government Pension Scheme.

21. Part I Minutes of the last meeting

21.1 Resolved – That with an edit to minute 7.1, final word, penultimate sentence, 'September' to read 'November' the Part I minutes of the Pensions Committee held on 26 July 2023 be approved as a correct record, and that they be signed by the Chairman.

22. Pension Advisory Board Minutes - Part I

22.1 The Committee considered the confirmed Part I minutes from the 28 July 2023 Pension Advisory Board meeting (copy appended to the signed minutes).

22.2 Resolved – That the minutes be noted.

23. Business Plan

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

23.2 Taryn Eves, Director Finance and Support Services, introduced the report and drew the Committee Members' attention to the key points as set out in the summary.

23.3 Vickie Hampshire, Finance Manager, Pension Fund Governance, highlighted, as set out at Appendix C, that Committee Members would receive an email later in the day concerning the LGPS Knowledge Progress Assessment and were asked to complete the assessment by 14 November 2023.

23.4 The Committee made comments including:

- a. to highlight that the mandate with property manager Abrdn had been extended to September 2024 to fit in with the procurement process for a new contract
- b. to question on RT 12, employer admissions, how many employers were coming into the Scheme, what the eligibility requirements were and whether any employer could be refused. Rachel Wood, Pension Fund Strategist, explained that 20 employers had joined the West Sussex Scheme in the last year and 11 more were scheduled to join and that the majority of these employers were academies. Rachel Wood further explained that there was no discretion on the acceptance of academy employers and most admitted bodies following an outsourcing so these were normally admitted. In the case of community interest bodies, there was more discretion, including the option to refuse admission
- c. to question whether problems with employers not providing the required data contributed to risk RT12. Steven Law, Fund Actuary, explained that this was the case, also that the smallest employers could take up a great deal of officer time and that most outsources of schools to academies take place from 01 September which makes this a very busy period. Steven Law also pointed out that there was a risk to pension fund members of any delay in signing initial joining agreements, in that the pension fund sees such members as deferred during that time
- d. to question on RT 13, risk of cyber-attack, when this might be expected to improve from red to amber. The Chairman explained his understanding that this risk was ever-present and despite continued management and mitigation would never move from red to amber as cyber-attacks could not be prevented
- e. to question whether there was a risk around the County Council's anticipated new content management system, Smartcore. Taryn Eves explained that at this stage no risk was identified but, at a later date, adequate staff resource requirements related to the implementation of the new system would be considered.

23.5 Resolved – that:

1. The Committee noted the update on Business Plan activities for 2023/24
2. The Committee provided comments on the risk matrix and audit work
3. The Committee Members reviewed the training completed and advised officers of any additional requirements to support their development of the necessary skills and knowledge to act effectively as members of the Committee.

24. Pension Administration

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

24.2 Rachel Wood, Pension Fund Strategist, introduced the report and highlighted key points as set out in the summary. Committee Members' attention was also drawn to the 'Project Work: AVC Review' section and arrangements to move from provider Standard Life to Legal and General.

24.3 The Committee made comments including:

- a. to note that single schools converting to academy status often needed professional support to handle the pensions element of their conversion and given that the external trusts often employ professional pay bodies it was surprising that the provision of internal advice was not better. Stephen Law, Fund Actuary, acknowledged that the outsourced payroll bodies often struggled with this work
- b. to note with regard to paragraph 7.6, concerning four scheme members nearing retirement with AVC funds currently at Standard Life, that the pensions officer team would write to them to advise that the funds would close. Rachel Wood added that legal advice was being sought on the reasonable timescales for this process
- c. on employer performance on data return to question, whether there were sanctions that could be applied to those who persistently failed to share data in a timely way. Rachel Wood explained that there was opportunity to charge employers where costs had been incurred. Andrew Lowe, Assistant Director Pensions, Hampshire County Council, added that the approach of the administrative officer team was always on support, engagement and education
- d. on portal access, to highlight that the top line figure on website hits had doubled over the quarter. Andrew Lowe explained that hits generally increased at this time as it was the time of publication of new payslips (for pensioners) and Annual Benefit Statements (for active and deferred scheme members)
- e. on academy employers, to question what could be done to improve their engagement and performance. Rachel Wood confirmed that support and training was offered and that the team was aware of the growth of these employers and the challenge posed. Taryn Eves, undertook to bring to the Committee a report on the employers training process and any options to enact discretions
- f. on reporting, whether an analysis was made of poor compliance, timeliness and quality of data supplied by employers. Rachel Wood explained that this was gathered at end of the financial year and a mid-year validation exercise undertaken and that targeted training was available, also that development of the employer portal continued and this would reduce form-filling requirements
- g. on compliance, to question whether the Pensions Advisory Board had a role in supporting good quality employer returns. Rachel Wood agreed that it did and could be asked to monitor assistance to the Scheme Manager to secure compliance and report back in due course
- h. on portal access, to question whether the figures set out related to the number of scheme members accessing the

portal over the quarter or the number of times the portal was accessed. Rachel Wood and Andrew Lowe explained that the data referred to the number of times the portal was accessed.

24.4 The Chairman thanked Committee Members for their comments and confirmed that no one had any questions on Appendix B.

24.5 Resolved – that the Pensions Committee noted the report and approved the updated Funding Strategy Statement at Appendix B.

25. Review of Administering Authority Discretions

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

25.2 Rachel Wood introduced the report and explained the intentions of the review as set out in the summary.

25.3 The Committee made comments including:

- a. to thank the pensions officer team for its work in undertaking the review
- b. to question the meaning of the term 'non-Club' referred to at paragraph 1.7 (e). Steven Law explained that this referred to non-public sector funds
- c. to note that Discretion R100(6) under Delegation or Policy should read 'An extension beyond 12 months ...' Rather than 'An extension to 12 months'.

25.4 Resolved – that the Committee approved the draft Administering Authority Discretions Policy at Appendix A.

26. Financial Information Report

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

26.2 Taryn Eves, Director of Finance and Support Services, introduced the report and highlighted that the pension fund was currently valued at £5,257.1bn, a slight decrease from the last report in June. Committee Members noted that this remained a healthy position and that a positive cash flow was still forecast for the year.

26.3 Resolved – that the Pensions Committee noted the report.

27. Government Consultation "Local Government Pension Scheme (England and Wales): Next steps on investments"

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

27.2 Rachel Wood introduced the report and explained that the appended consultation response was in line with the draft circulated to Members previously and referenced the comments received. It had also been shared with the Chairman of the Pension Advisory Board who was supportive of the draft and no response had yet been received from government.

27.3 The Committee made comments including:

- a. to note that the response submitted was not unlike responses from other contributors
- b. to comment that responses appeared to reflect basic common sense.

27.4 Resolved – that the Pensions Committee noted the County Council’s response to that was submitted by the deadline of 02 October 2023.

28. Date of Next Meeting

28.1 The Committee noted that its next scheduled meeting would take place on 29 January 2024 at County Hall, Chichester.

29. 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 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.

Exempt paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

30. Part II Minutes of the last meeting

The Committee agreed the Part II minutes of the Pensions Committee held on 26 July 2023.

31. Pension Advisory Board Minutes - Part II

The Committee noted the contents of the Part II minutes from the 28 July 2023 Pension Advisory Board meeting.

32. Investment Strategy Implementation

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

The Committee noted the report.

33. Update from ACCESS Joint Committee activity (September 2023)

Agenda Item 5a

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

The Committee noted the report.

34. Advisor Commentary

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

The Committee noted the report.

35. Presentation by Baillie Gifford

The Committee received an update from Baillie Gifford on portfolio performance for the quarter.

The Committee noted the report.

The meeting ended at 1.15 pm

Chairman

Tony Kershaw
Director of Law and Assurance

If calling please ask for:

Suzannah Hill on 033 022 22551
Email: suzannah.hill@westsussex.gov.uk

www.westsussex.gov.uk

County Hall
Chichester
West Sussex
PO19 1RQ
Switchboard
Tel no (01243) 777100



19 January 2024

Pensions Committee

A meeting of the Committee will be held at **10.00 am** on **Monday, 29 January 2024** at **County Hall, Chichester, PO19 1RQ**.

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:

- Cllr Dennis is a Member of Horsham District Council
- Cllr Elkins is a Member of Arun District Council
- Cllr Hunt is a Member of the Chichester Harbour Conservancy

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

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

The Committee is asked to agree the Part I minutes of the meeting of the Committee held on 01 November 2023.

3. **Urgent Matters**

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

4. **Part II Matters**

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

10.05 am 5. **Pension Advisory Board Minutes** (Pages 11 - 16)

The Committee is asked to note the unconfirmed Part I minutes from the 13 November meeting of the Pension Advisory Board.

6. **Date of Next Meeting**

The next meeting of the Committee will be held at 10.00 am on 26 April 2024 at County Hall, Chichester.

Part II

7. **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.

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

10.10 am 8. **Part II Minutes of the last meeting** (Pages 17 - 22)

The Committee is asked to agree the Part II minutes of the meeting of the Committee held on 01 November 2023.

10.15 am 9. **Part II Minutes of the last meeting of the Pension Advisory Board** (Pages 23 - 26)

The Committee is asked to note the unconfirmed Part II minutes from the meeting of the Pension Advisory Board on 13 November 2023.

10.20 am 10. **Pension Fund Investment Strategy: Implementation Activity** (Pages 27 - 28)

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

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

- 10.40 am 11. **Update from ACCESS Joint Committee activity (Operator Procurement)** (Pages 29 - 42)

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.

- 10.55 am 12. **Strategy Session**

Report by Hymans Robertson attached for members of the Committee only (yellow paper).

The Committee will take part in a facilitated session to consider the future direction of the Fund and reflect on priorities of the Committee and the changing landscape.

Lunch

- 1.00 pm 13. **Strategy Session (continued).**

End - 3 pm (anticipated).

To all members of the Pensions Committee

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**Key decision: Not applicable
Unrestricted**

Report to Pension Advisory Board

9 February 2024

Business Plan Update

Report by the Chairman of the Pension Advisory Board

Summary

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

The performance report reflects a series of one-to-one meetings held with each Board member. Similar review meetings are to be held with the Chairman of the Pensions Committee and with the S151 Officer. The table sets out the achievement of key tasks and activities against those set in the Business Plan for 2023/24, which were reported to the Board provisionally in November.

The PAB Business Plan for 2024/25 has been drawn up to be consistent with that of the Pensions Committee and the Board receives regular update reports as submitted to the Committee at each meeting, which include a review of risks. The update report for the Committee is also attached.

Recommendations

The Board is asked to:

- i. agree the performance report for 2023/24 in **Appendix A**, and that the Pensions Committee and Governance Committee be informed;
 - ii. agree the performance information for inclusion in the pension fund annual report for 2023/24 as set out in **Appendix B**.
 - iii. agree the draft PAB Business Plan for 2024/25 in **Appendix C** and that the Pensions Committee be informed.
-

Proposal

1. Background and context

- 1.1 The Board agreed its Business Plan for 2023/24 on 22 May 2023, and in line with the Terms of Reference, the Plan was agreed by the Governance Committee on 26 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.

Agenda Item 6

- 1.3 Performance on responding to industry-wide developments in the current year has been hampered by the lack of progress by central Government and the Pensions Regulator. Proposals for change remain to be published in detail and, until they are, the Board cannot consider in any depth the implications for governance and compliance. The Pensions Regulator's revised Code of Practice has been laid before Parliament recently and new and updated guidance is expected during the coming year.

2. Business Plan performance report for 2023/24

- 2.1 The draft report set out in **Appendix A** provides a summary of the Board's key activities and achievements over the past year, including an assessment of the Board itself. A draft of the information to be included in the Pension Fund Annual Report is included in **Appendix B**.
- 2.2 As agreed in previous years, the Chairman met (in virtual format) with each board member on a one-to-one basis to discuss performance over the past year, plans for the coming year and future training needs. The Chairman will also meet with the Chairman of the Pensions Committee and officers to review the Board's role, performance, and plans.

3. Business Plan for 2024/25

- 3.1 A draft plan for 2024/25, in a similar format to last year, particularly as many of the key tasks planned in 2023/24 have not completed, is set out in **Appendix C**.

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

N/A

6. Consultation, engagement and advice

N/A

7. Finance

- 7.1 The Board has a budget agreed as part of its business plan.

8. Risk implications and mitigations

- 8.1 ***Failure to manage work efficiently and effectively*** – The use of virtual meeting arrangements has enabled the Board to continue to work as efficiently and effectively as possible.
- 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:

Suzannah Hill, Democratic Services Officer, 033022 22551 suzannah.hill@westsussex.gov.uk

Appendices

[A] – Business Plan Performance Report for 2023/24

[B] – Performance information for inclusion in the Annual Report for 2023/24

[C] – Pension Advisory Board Business Plan for 2024/25

Background papers

None

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West Sussex Pension Advisory Board**Business Plan 2023/24 performance report****Board establishment**

The Board's structure remains the same with six representative members and an independent (non-voting) Chairman, but individual membership has changed with the departure of Miranda Kadwell and Chris Curry during the year.

The member representative vacancy was filled in June following an interview process and the Board welcomed Ann Phillips to the July meeting. Unfortunately, advertisements for a new employer representative failed to secure any applications. The position has been re-advertised and it is hoped to appoint a new member in the Spring. Richard Cohen was re-appointed for a final four-year term. He has been a member of the Board since its inception and provides continuity.

Although there have been changes in the Board membership, the Board has continued to deliver its responsibilities, assisted by the training that has been undertaken by all members.

Board meetings

The Board held four meetings during the year and with the option of attending on a virtual basis, there has been good attendance. Most members attend in person unless they are not able to get to County Hall for the meeting due to work or other commitments.

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

The Board meets a short period after each meeting of the Pensions Committee and receives the agreed minutes, certain reports as submitted to and considered by the Committee on the business plan updates, including risks, on administration, on the ACCESS pool, investment implementation and other issues relevant to the Board. This minimises the need to produce separate reports for the Board and avoids duplication with those submitted to the Committee. This has worked well in the year in keeping the Board informed of the Committee's decision-making process.

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

In terms of what has been achieved during the year, the schedule below shows actions against key tasks and demonstrates that a comprehensive programme of work has been completed. However, the aftereffects of the pandemic have continued to severely disrupt progress on national initiatives driven by central Government (DLUHC), SAB and tPR. This has meant that governance and regulatory changes deferred in 2020, 2021 and 2022 that the Board were

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expecting in 2023 did not happen with the exception of a consultation by DLUHC on investments and pooling, and recovery of progress remains slow.

Annual performance reviews

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

The current year 2023/24 - There was a general feeling that the Board has continued to operate effectively in dealing with core business. However, there was some frustration with the lack of progress nationally on governance issues that will directly affect the Board's activities, e.g. the Good Governance Review and tPR's new General Code of Practice.

The year ahead 2024/25 - The recent publication of tPR's new Code was welcomed and with it coming into force from the start of 2024/25, this will be a major development to address in order to ensure compliance with any new requirements. The key areas for attention next year are listed below.

Knowledge and understanding - Generally, members consider that they have a good standard of underlying knowledge and understanding and welcome the process of regular updates and refreshers.

The Hymans Robertson LGPS Online Learning Academy (LOLA) has proved to be very effective but all the modules have been updated and members are at various stages in re-taking them. All members had undertaken the Hymans Knowledge Progress Assessment in the Autumn but most were not satisfied with the results. It was felt generally that the questions were framed in a way that was confusing and not all were directly relevant to the Board's responsibilities. The outcomes will be reviewed to consider whether there are areas for more focused training.

Some members asked about knowledge building in areas, e.g. investment implementation which, though not directly related to the Board's work, would help in a more wider understanding of some of the issues addressed in Committee papers. Some members had attended external training sessions and seminars but felt that some were too detailed and time intensive. Online seminars and webcasts which are generally more focused were preferred.

Personal contributions - All were satisfied with their role on the Board and considered there was a valuable spread of experience and knowledge of different aspects of the management and administration. Those new to the Board felt that they were building valuable experience the more meetings they attended and the more they became familiar with the issues being covered.

Both of the employer representatives have agreed to assist in developing communications and engagement for scheme employers. One member has offered to provide informal tutoring on some of the more complex investment issues and practices. Two members have attended a meeting of the ACCESS Joint Committee as observers on a rota basis with other participating funds. Some members are able to offer feedback from discussions with colleagues about their experiences with the administration and where relevant, these will be raised with Hampshire Pension Services.

Pensions Committee – The relationship with the Committee continues to work well through the exchange of reports and members were aware of the offer to attend Committee meetings, although availability of time was a constraint.

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

Areas for attention

These are the areas where work will be required in the coming year, subject to progress on national initiatives:

- Outcome of SAB Good Governance Review
- TPR's new General Code of practice (issued January 2024)
- Strategic investment issues and pooling governance, subject to DLUHC regulation changes
- Employer communications and engagement

In the slightly longer term, though preparatory work may be necessary:

- Climate change reporting (awaiting DLUHC guidance)
- Implementation of the Pensions Dashboard programme

Chairman's comments

The Board has continued to work well and completed its programme of core business. Despite slow progress on National developments, these seem set to emerge during the coming year and will present new challenges to the Board.

As Chairman of the Board, I am extremely grateful for the input from each member without which the Board's work would not be as effective, and I am reassured in the ability of the Board to tackle these new challenges in 2024/25. My term of appointment comes to an end in May 2024 and I shall be retiring from the position of Chairman. I have no doubt that the incoming Chairman will be assisted fully by the members of the Board.

Pension Advisory Board - Business Plan 2023/24
Annual update on special activities and reviews

Planned activity	Current progress
Business Planning and Performance	
<p>Agree programme of work and monitor progress, undertake an assessment of performance and agree a report for inclusion in the Fund Annual Report</p>	<p>Core tasks have been completed. The programme was agreed in May and progress is monitored at each meeting. Performance reviews took place in January 2024.</p>

Compliance checks	
<p>Review policy on conflicts of interest, Fund annual report and accounts, statutory policy statements, and changes in regulations. Monitor new CIPFA guidance.</p>	<p>Core tasks have been completed. The work of the SAB Compliance & Reporting Committee on reviewing CIPFA guidance is being monitored as reported. No new guidance has been issued to date.</p>

Governance arrangements	
<p>Review Pensions Committee decisions, updates on the risk register, audit reports and assurances on internal controls. Monitor developments from the SAB and tPR. Respond to surveys and requests for information.</p>	<p>Core tasks have been completed. The results of the consultation on tPR's new General Code were issued in January 2024 and the new Code has been laid before Parliament to come into force at the end of March. DLUHC has yet to issue any consultation or intentions on the new governance arrangements proposed by SAB.</p>

Administration procedures and performance	
<p>Review the administration reports, and monitor notifiable events, key performance indicators, recording of complaints and IDRPs cases, membership numbers, data quality and integrity, contribution payments and key internal procedures and controls.</p>	<p>Core tasks have been completed. The Scheme Annual Report published by SAB in May and the SF3 data published by DLUHC in July were reviewed. Board received a review and update of controls relating to pensions/cyber scams in May and has reviewed the regular reports considered by the Pensions Committee. Introduction of the Pensions Dashboard programme has been delayed by the Government.</p>

Investment and funding	
<p>Review the investment strategy statement and funding strategy statement for compliance.</p> <p>Review the valuation process for compliance and good practice.</p> <p>Review developments in the pooling arrangements and monitor processes for measuring investment performance and costs.</p> <p>Monitor developments on responsible investing and ESG issues.</p>	<p>Core tasks have been completed.</p> <p>DLUHC issued a consultation in July on “The Next Steps on Investments” which includes policy on pooling. This was reviewed by the Board in July and the Chairman commented subsequently on the Fund’s draft response. The response from West Sussex was submitted by the deadline of 2 October and was reviewed by the Board at its meeting in November.</p> <p>The proposed guidance on climate change reporting for LGPS funds has been delayed by the Government into 2024/25. Progress is being monitored.</p>

Communications	
<p>Review information provided on potential pensions/cyber scams</p>	<p>Communications is now a standing item on the agenda and information on potential pensions/cyber scams is being monitored.</p>

Training	
<p>Maintain training log and review activity. Monitor training strategy and identify opportunities for in-house and external training.</p>	<p>The training log is now managed centrally combining Committee and Board activity, and training opportunities are notified to members of both. Individual training needs for Board members are considered in the annual performance review meetings.</p> <p>Training is reported to each meeting of the Committee and Board as part of the Business Plan updates.</p>

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Appendix B**Foreword by the Chairman of the Pension Advisory Board**

The Pension Advisory Board, established in 2015, assists the Scheme Manager in ensuring compliance with regulations; the application of guidance and legislation; implementing requirements imposed by the Pensions Regulator; and securing effective and efficient governance and administration. The Board meets four times during each financial year.

The Board is required to have a minimum of four members with equal representation of employers and scheme members – six members are appointed currently. I act as the independent Chairman and do not have voting rights. Each member has demonstrated their commitment to meeting their responsibilities, by maintaining a suitable level of knowledge and understanding of the issues, by preparing for each meeting and by participating effectively in the Board's discussions.

The Board has continued to operate well and continues to allow virtual access where necessary, although members usually attend in person. The business for each meeting has been planned by reference to the business plan agreed for 2023/24 and is based on the responsibilities of the Board and regulatory guidance on key issues to be covered. The plan has been comprehensively addressed during the year and there have been no disputes in the decisions reached. Key items covered include administration performance, communications, policy statements, cyber security, new regulations and guidance, the investment pooling arrangements with ACCESS, and knowledge and skills requirements. However, there continues to be a delay by the Government and the Pensions Regulator in progressing new governance initiatives. Progress is anticipated in 2024/25.

The Board uses the Local Government Pensions Committee (LGPC), the Scheme Advisory Board (SAB) and The Pensions Regulator (tPR) websites as points of reference for the Scheme regulations and guidance, and to track any changes being introduced. The regular updates issued by the SAB are particularly useful and are reported to each meeting.

The Board has formulated its training plan, in conjunction with the Pensions Committee, to cover the individual requirements of each member based on guidance issued by CIPFA, using the suggested framework to ensure coverage of all items over a reasonable period. Training is concentrated on the use of the Hymans Robertson Online Learning Academy (LOLA), introduced in 2021 for Board and Committee members. Progress on training is monitored and discussed at each meeting and reviewed annually in the year-end performance reviews. The modules in LOLA have been updated during 2023 and members are in the process of reviewing each module. A training log is maintained.

The Board is satisfied that the West Sussex Pension Fund is operated in compliance with statutory regulations and other legislation, and with guidance issued by the Department for Levelling Up, Communities and Housing (DLUHC). The requirements imposed by tPR are being met and their proposed new General Code of practice was issued in January 2024 to come into force at the end of March. The Board continues to monitor the effectiveness and efficiency of the governance and administration arrangements.

Peter Scales, Chairman of the Pension Advisory Board

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Appendix C

Pension Advisory Board Business Plan 2023/24

Background

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

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

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

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

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

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

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

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

STATUTORY RESPONSIBILITIES

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

Assist the Scheme Manager:

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

ACCOUNTABILITY

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

PRINCIPAL FUNCTIONS

5. The principal functions of the Board include:
 - Seeking assurances that due process is followed with regard to Pensions Committee decisions;
 - Considering the integrity and soundness of Pensions Committee decision making processes;
 - Seeking assurance that administration performance is in compliance with the Administration Strategy;
 - Considering the effectiveness of communications with employers and members including the Communication Strategy;
 - Considering and commenting on Internal Audit recommendations; and
 - Consideration of External Auditor reports.
6. Any complaint or allegation of breach of due process brought to the attention of the Board shall be dealt with in accordance with the Pensions Regulator's General Code of Practice.

OBJECTIVES

7. The Board's main objectives are set out below:
 - Governance:** Act solely in terms of the public interest, with integrity, objectivity, accountability, openness, honesty and with leadership, and seek to ensure these are followed by all those involved in the Fund's administration.
 - Compliance:** Seek to understand the statutory framework of regulations and guidance, and ensure all aspects are complied with.
 - Administration:** Seek to ensure that proper procedures and controls are in place and are followed, and that performance expectations are met.
 - Communication:** Seek to ensure that standards of reporting and clear communications are maintained and improved.
 - Efficiency:** Seek to ensure improvements are being made in all processes, and minimise demands placed on officers in supporting the Board's work.
 - Effectiveness:** Seek to ensure that the Board is making an effective contribution to the governance of the Fund through careful planning and performance assessment.
 - Risk management:** Seek to ensure that fund risks are being identified, monitored and mitigated through proper procedures and controls.
 - Proper advice:** Seek to ensure that proper advice is being taken and considered in all aspects of decision-making.
 - Knowledge and understanding:** Seek to ensure that all Board members maintain a suitable level of knowledge and understanding.
 - Responsiveness:** Seek to ensure that the Board considers and responds to consultations, surveys and requests for information effectively.
8. The means by which the Board can deliver these objectives is set out in the detailed plan. As part of the agenda planning process, the officers and chairman have agreed a structured agenda as a standard and discuss the detailed agenda well in advance of each scheduled meeting.
9. The papers for each meeting are made available at least one week prior to the meeting and implementation of action agreed is monitored in a progress report at the following meeting.
10. The Board does not have delegated powers to incur expenditure but agrees an indicative annual budget with the officers each year. Provisional sums are included to allow the Board to request any additional independent advice that might be required in exceptional circumstances.

BUDGET

Budget item	Budget 2023/24 £	YTD Spend 2023/24 £	Projected Outturn 2023/24 £	Budget 2024/25 £
Fee for independent chairman	17,500	13,125	17,500	17,500
Travel expenses/subsistence	1,000	875	1,088	1,000
Training provision	1,500	3,215	3,215	5,500
Democratic Services Support (0.2 FTE)	8,000	-	7,837	8,000
Provisional sums (if required): Legal and other external advice.	1,000	-	-	1,000
Contingency.	1,000	-	-	1,000
TOTAL INDICATIVE BUDGET	30,000	17,215	29,640	34,000

N.B. All costs are chargeable to the Pension Fund. The fee for independent chairman is subject to review following the appointment process currently underway. Democratic Services Support excludes 'back pack' costs.

TRAINING

11. The Pensions Committee has agreed a Training Strategy which incorporates the Board's training needs. Training for Board members, including induction training, is provided primarily through the Hymans LGPS Online Learning Academy (LOLA). Regular updates are provided through the 'Current Issues' module. All the modules in LOLA were updated in 2023 and members are in the process of re-taking the training.
12. This form of training is supplemented by internal training on West Sussex specific issues, and by attendance, where appropriate, at external seminars which specialise in the needs of local pension boards. Reference is also made to the e-learning provided by the Pensions Regulator which includes a module specific to cyber risk.
13. In terms of self-learning and familiarisation, the Board has developed arrangements to keep members apprised of changes to the scheme regulations and guidance through access to the national LGPS and Scheme Advisory Board websites.

RISK MANAGEMENT

14. The Board does not consider it necessary to have its own risk register but monitors the Fund risk management arrangements as reported to the Pensions Committee on a regular basis. The schedule of key tasks and activities which follows includes references to the key risks applicable to each area.

ISSUES FOR ATTENTION IN 2024/25

15. These are the issues on which work is expected in the coming year, subject to progress on national initiatives:
- Outcome of the SAB Good Governance Review
 - TPR's new General Code of practice (issued January 2024)
 - Strategic investment issues and pooling governance, subject to DLUHC regulation changes
 - Employer communications and engagement

In the slightly longer term, though preparatory work may be necessary:

- Climate change reporting (awaiting DLUHC guidance)
- Implementation of the Pensions Dashboard programme

Pension Advisory Board - Business Plan 2024/25

- Key tasks and activities

Core on-going work	Special activities and reviews 2024/25
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Business Planning and Performance	
<p>Agree programme of work, budget and resources for the coming year and monitor progress at each meeting.</p> <p>Undertake a self-assessment of performance for the year to include on-to-one interviews in January/February.</p> <p>Agree a report each year on activity for inclusion in the Fund Annual Report and for scheme employers.</p>	
<p>Key Risks</p> <ul style="list-style-type: none"> • Failure to manage work efficiently and effectively. • Failure to account for activities and performance within the PAB remit. 	

Compliance checks	
<p>Review the Council’s policy on conflicts of interest annually, ensure interests are declared at each meeting and maintain a register of interests for the Board on the website.</p>	
<p>Review the Pension Fund Annual Report and Accounts for content and compliance.</p>	
<p>Review statutory policy statements on a regular basis and on a three-year rolling basis</p>	
<p>Monitor and review changes to regulations and guidance at each meeting</p>	
<p>Key risks</p> <ul style="list-style-type: none"> • Failure to manage conflicts properly. • Non-compliance with regulations and guidance. • Changes being implemented at short notice due to delayed notification. 	

Core on-going tasks	Special activities and reviews 2024/25
Governance arrangements	
Review decisions of the Pensions Committee	
Review management and monitoring of the pension fund risk register	
Monitor audit reports and assurances on internal controls	
Monitor work planned by the Pensions Regulator (tPR)	Review new tPR General Code of practice and assess implications
Monitor reports and initiatives from the Scheme Advisory Board (SAB) including the Good Governance Review	Review planned consultation on future governance arrangements and assess implications
Respond to surveys and requests for information from the tPR and the SAB	
Report to the Pensions Committee and Governance Committee on a regular basis and as required	
Report to tPR, DLUHC and SAB in exceptional circumstances	
Key risks <ul style="list-style-type: none"> • The decision-making process is not fully effective. • Key risks are not managed properly. • Failure to be aware of scheme-wide developments and changing requirements. • Failure to properly account for the Board’s activities. 	

Core on-going tasks	Special activities and reviews 2024/25
Administration procedures and performance	
Consider a report on the administration of the scheme at each meeting	
Monitor notifiable events and the recording and reporting of breaches	
Monitor key performance indicators and recovery action	
Monitor recording of compliments and complaints, and progress on IDRPs cases	
Monitor movements in membership numbers	
Monitor data quality and integrity, and progress on improvement plans	
Monitor timeliness of receipt of contribution payments and any recovery action required	
Review operation of key internal procedures and controls relating to third party contracts	
Key risks <ul style="list-style-type: none"> • Failure in the efficient and effective administration of the scheme. • Non-compliance with reporting requirements. • Failure to detect potential problems, including fraud at an early stage. 	

Core on-going tasks	Special activities and reviews 2024/25
Investment and funding	
Review the investment strategy statement to assess compliance with regulations and guidance issued by DLUHC and CIPFA	
Review the funding strategy statement to assess compliance with regulations and guidance	
Review the process of consultation with appropriate persons, particularly scheme employers	
Review the valuation process for compliance and good practice	
Review developments on the pooling arrangements, particularly in relation to governance and investment management	Review any regulatory changes relating to compliance on pooling that was subject to consultation in 2023/24
Monitor arrangements for monitoring investment performance and costs	
Monitor developments in relation to responsible investing and ESG issues insofar as they relate to the Board's responsibilities	
<p>Key risks</p> <ul style="list-style-type: none"> • Non-compliance with investment regulations and Government guidance. • Failure of proper governance arrangements in the pooling of Fund assets. • Failure to comply with or respond to developments in good practice or regulatory compliance. • Net asset values are insufficient to meet future liabilities. • Lack of clarity on role of PAB in relation to ACCESS and on responsible investing. 	

Core on-going tasks	Special activities and reviews 2024/25
Communications	
Monitor disclosure of information in line with statutory requirements, including annual benefit statements	
Review newsletters for content and clarity	
Review communications with employing authorities	Assist the Scheme Manager in developing engagement with employers
Monitor developments in the website and pensions portal	
Consider more effective links to scheme members	
Key risks <ul style="list-style-type: none"> • Failure to keep employers and scheme members properly informed. • Non-compliance with Administration Strategy. • Scheme members fail to understand scheme benefits and opt-out. 	

Training	
Monitor the training log and review activity regularly	
Monitor implementation of training strategy	
Identify opportunities for in-house training and/or external training courses or events	
Key risks <ul style="list-style-type: none"> • Failure of Board members to maintain a suitable level of knowledge and understanding. • New training requirements imposed on PAB in relation to compliance testing. 	

Report to Pension Advisory Board**09 February 2024****Pension Administration****Report by Director of Finance and Support Services**

Summary

The Pension Administration service has been provided by Hampshire County Council since 04 March 2019. There were 89,214 members in the Scheme on 31 December 2023 and 220 employers actively contributing into the Scheme. This is an increase of 1,004 members and a net increase of three employers since 30 September 2023.

99.41% of active benefit statements and 99.98% of deferred benefit statements were produced by the statutory deadline (31 August 2023) and all required Pension Savings Statements were published by the deadline (6 October 2023). Other administration activity is set out in Appendix A. The following are highlighted:

- Over the quarter ending 31 December 2023, 2,164 casework items were completed by the team and a total of 9,157 casework items completed by the administrators over the previous 12 months. All casework items were completed with the service level timescales. On 31 December 2023, 863 casework items were in progress with the team, employers, members or other third parties.
- On 31 December 2023, 43% of members had set up an account on the Member Portal which allows them to update personal details, access to Annual Benefit Statements, run retirement estimates or view their payslips online. On the same date, 163 (74%) of employers were registered onto Employer Hub. The Hub allows employers to view pension records for active employees, inform the team about changes in membership, notify of leavers / starters and run retirement estimates.

Recommendation:

1. That Pensions Advisory Board notes the report.
-

1 Background and context

- 1.1 Hampshire County Council provides the Pension Administration Service for West Sussex County Council, and they work closely with the West Sussex Pensions Team.
- 1.2 The Pensions Committee has a key objective within its Business Plan to continue improvements in relation to the pension administration service provided to all stakeholders and deliver a high-quality administration service.

2 Membership

- 2.1 On 31 December 2023, the Scheme had 88,210 members as analysed below. Membership and movements from 30 September 2023 have been shown as a comparison.

Member Type	30 Sept 2023	31 Dec 2023	Movement No.	Movement %
Active	26,200	26,598	398	2%
Deferred	37,499	37,896	397	1%
Pensioner	24,511	24,720	209	1%
Total	88,210	89,214	1,004	1%

- 2.2 In addition, there are 5,870 records classified as 'preserved refunds' (6,047 on 30 September 2023). Preserved refunds relate to those leaving the scheme before reaching a two year 'vesting period' threshold and therefore do not qualify for deferred benefits. Work has started to provide options to those with preserved refunds in the Scheme.

3 Administration Activity

- 3.1 Appendix A sets out LGPS contributions received April to December 2023, casework performance, complaints, and portal access during the period to 31 December 2023.

Publication of Annual Benefit Statements

- 3.2 Notification emails to active members informing them that their Annual Benefit Statements were available were sent throughout August. By the statutory deadline of 31 August, 99.41% of statements (25,776) had been produced. The number of outstanding statements at the deadline was 154. This has since been reduced to 60 by the end of December and work is ongoing to investigate on a case-by-case basis with the aim of reducing the number by the end of the year.
- 3.3 By the deadline of 31 August 36,822 deferred annual benefit statements, reflecting 99.98% of the statements required, were published on the Member Portal. The outstanding five statements are being investigated on a case-by-case basis.

4 Employer Management

Employer Movements

- 4.1 On 31 December 2023, the Scheme had 332 employers.

Employer Status	30 Sept 23	30 Dec 23
Active	217	220
No active members	108	112
Total	325	332

The above excludes 30 employers who are in the process of being admitted. These comprise three parish councils, thirteen admitted bodies and fourteen academy conversions.

5 Project Work: McCloud

- 5.1 Reforms made in 2015 to the judicial and firefighters' pension schemes were found by the Court of Appeal in 2018 to have been unlawful based on age discrimination. This ruling, known as the McCloud judgment, impacted all main public service pension schemes, including the LGPS. As a result, every member active in a scheme before the introduction of the career average revalued earnings scheme will be eligible for the higher of either their final salary benefits, or the Care benefits accrued since these were introduced.
- 5.2 This is a significant administration task.
- 5.3 On 8 September 2023 the Department for Levelling Up, Housing and Communities (DLUHC) laid The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 and published its response to the most recent McCloud consultation. The regulations implement the McCloud remedy and change the existing underpin to ensure it works effectively and consistently for qualifying members. The regulations came into force on 1 October 2023 and apply retrospectively to 01 April 2014.
- 5.4 No additional returns from employers have been received since the Board last met. Estimations will be required based on pay held on the member record if the data is not provided. The team are currently uploading employer McCloud data where they are able. The position is set out below.

Employer Status	2014/21	2021/22
Returns received	209	206
Returns required	214	214
Returns outstanding	5	8
Returns loaded	197	90

6 Project Work: Dashboard

- 6.1 The Government led "Pension Dashboard" project is intended to allow individuals to go to a single website and receive details of all the pensions they hold across UK pension providers.
- 6.2 The original connection deadline for Public Sector schemes was 31 October 2024, but in March 2023, DWP announced delays and a reset of the programme as part of refreshing their delivery plan for a new connection deadline for all schemes of 31 October 2026.
- 6.3 Additional guidance is expected, which should set an expectation of when public sector schemes should connect, rather than waiting until the final deadline. The 'dashboard available point' (DAP) is to be determined but will be communicated 6 months in advance to allow schemes to prepare.

7 Application of Administering Authority Discretions

Discretion Decisions

- 7.1 The rules of the Local Government Pension Scheme (LGPS) are set out in the LGPS and associated statutory Regulations. However, there are some provisions which are discretionary and West Sussex as Administering Authority can choose how, or if, it applies certain provisions of the Scheme.

- 7.2 One discretion relating to a transfer in has been referred to the Administering Authority decision since the Board last met.

8 Breach Reporting

- 8.1 Since the last Pension Advisory Board meeting, there have been no data breaches notified.

9 Other options considered (and reasons for not proposing)

N/A

10 Consultation, engagement, and advice

N/A

11 Finance

N/A

12 Risk implications and mitigations

Risks associated with this report are set out in the risk register for the Pension Fund which is part of the Business Plan at agenda item 6.

13 Policy alignment and compliance

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.

Taryn Eves

Director of Finance and Support Services

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

Appendices

Appendix A - Administration Activity

Background papers

None

Appendix A - Administration Activity

Administration Activity

Key Performance Indicators

The analysis below shows performance of the administration team in relation to key processes over the past 12 months. The bold line shows the KPI target. The pattern of cases over the year is shown on the right-hand side.

This casework 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). It also does not include work in progress, which is shown on the next page.

No. Cases completed by day count	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total	Quarter end Dec 23	Quarter end Sept 23	Quarter end Jun 23	Quarter end Mar 23
Active Retirement	295	138	40				473	111	137	121	104
Deferred Retirement	292	379	283				954	213	277	232	232
Estimates	216	638	981				1,835	303	568	474	490
Deferred Benefits	126	43	80	230	2,777		3,256	840	917	761	738
Transfers In & Out	39	91	55				185	70	45	24	46
Divorce	45	90	57				192	33	56	48	55
Refunds	73	239	300				612	182	153	152	125
Rejoiners	61	60	136	254			511	114	155	94	148
Interfunds	191	174	225				590	182	167	104	137
Death Benefits	364	94	91				549	116	133	134	166
Grand Total	1,702	1,946	2,248	484	2,777	-	9,157	2,164	2,608	2,144	2,241

Work in Progress

The administration performance does not reflect work in progress which is with the team, employers, members or other third parties. The analysis below shows casework in progress on 31 December 2023 in relation to key processes and compares to the previous quarter.

No. Case in Progress. Day count from receipt	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total 30 Dec 23	Total 30 Sept 23
Active Retirement	3	7	7	1	0	2	20	18
Deferred Retirement	9	3	12	7	12	14	57	37
Estimates	17	17	83	26	11	121	275	281
Deferred Benefits	22	33	81	24	71	1	232	252
Transfers In & Out	1	0	1	4	4	15	25	2
Divorce	3	0	3	2	4	7	19	19
Refunds	6	1	8	0	0	1	16	0
Rejoiners	1	0	6	4	15	37	63	63
Interfunds	3	1	12	8	1	11	36	35
Death Benefits	5	2	12	3	19	79	120	36
Total	70	64	225	79	137	288	863	743
Total 31 Sept 2023	194	456	75	63	38	18	743	

Portal access

The table shows registrations to the Member Portal (which allows members to view their Annual Benefit Statement, produce retirement estimates and to access and update their personal details). Also included are the number of log ins to the Portal.

	Membership Split 30 Sep 2023	Membership Split 31 Dec 2023	No. Log in 1 Jul to 30 Sep 2023	No. Log in 1 Oct to 31 Dec2023
Active: Registered	13,268 51%	13,514 51%	8,069	3,970
Active: Opt out of online	163 1%	160 1%		
Active: No Response	12,769 49%	12,924 49%		
Deferred: Registered	13,980 37%	14,289 38%	3,723	3,093
Deferred: Opt out of online	213 1%	215 1%		
Deferred: No Response	23,549 62%	23,392 62%		
Pensioner: Registered	11,214 46%	11,593 47%	2,555	2,312
Pensioner: Opt out of online	6,181 25%	6,190 25%		
Pensioner: No Response	7,135 29%	6,956 28%		
Total: Registered	38,462 43%	39,396 44%	14,347	9,375
Total: Opt out of online	6,557 7%	6,565 7%		
Total: No Response	43,453 49%	43,272 49%		

Call and email volumes

Month	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Total	12 month average
Calls received	615	536	655	573	519	587	511	549	477	485	468	308	6,283	524
Calls answered	590	524	634	561	500	568	503	531	459	477	459	306	6,112	509
Calls abandoned	25	12	21	12	19	19	8	18	18	8	9	2	171	14
Average wait time (seconds)	140	159	89	63	82	91	58	73	95	55	44	41		82
Emails	489	522		544	445	544	623	626	540	545	431	359	6,550	546

Complaints and Compliments

Over the quarter the team received five compliments and three complaints.

Contribution Monitoring

Regulations state that all Local Government Pension Scheme contributions must be received by the Fund on the 22nd of each month following deduction and must be accompanied by a remittance which breaks down the payment into employer and employee contributions and reconciles to the amount paid. The analysis below shows performance of employers for the year to date and reflects the payroll month.

	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23
Total Active Employers	218	219	222	222	220	217	215	219	222
Contribution payments & remittances received by statutory deadline	196	216	206	217	210	209	210	199	215
Late Payments and/or Remittances	22	3	16	5	10	8	5	20	7
Total Value of Late Payments and/or Remittances	108,695	31,577	251,008	128,213	79,432	121,814	23,796	129,453	36,460
Total Amount Still Overdue (£)									23,076
Number of Late Payments Still Outstanding									3

Report to Pension Advisory Board**09 February 2024****Communication Strategy****Report by Director of Finance and Support Services**

Summary

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

Recommendation

- (1) That the Board notes the updates in Appendix A.
-

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 including relevant communication for the period. The newsletter to active and deferred members as well as the later employer update have also been provided (Appendix B and Appendix C).

Agenda Item 8

Taryn Eves

Director of Finance and Support Services

Contact: Rachel Wood, Pension Investment Strategist,
rachel.wood@westsussex.ov.uk, 0330 222 3387

Appendices

Appendix A - Description of Communication Deliverables

Appendix B – Active and Deferred member Newsletter

Appendix C – Employer Matters

Background papers

None

Communications Strategy Report: Appendix A

The "Current or Future Activity" column has been updated since the Board met.

There are several key policy documents within the Communication Strategy Statement. To avoid duplication, these have been removed from the table below and instead covered in Agenda Item 10.

Communication	Audience	WSCC Role	Admin Team Role	Current or Future Activity	Frequency of Review	Previous Review Date	Future Review Date
Details of the Pensions Committee and Pension Advisory Board	All stakeholders	Lead	N/A	Papers published in advance of meetings			
Member's Guide for active members	All members	Feedback	Draft and publish	N/A	Ongoing	N/A	N/A
Annual newsletter for pensioners published via the Member Portal (March or April) and an expanded version of the newsletter on the website . Members can opt to receive a paper copy of the newsletter.	Pensioner members	Feedback	Draft and publish	The Pensioner Newsletter is currently being prepared by the administration team. The version for 2023 is available here .	Annually	02/2023	02/2024
Annual newsletter for active and deferred members published on the website . Members can opt to receive a paper copy of the newsletter.				Review of latest newsletter (Appendix B).			
Annual Benefit Statements published via the Member Portal (by 31 August each year) with a detailed explanation of their statement on the website . Members can opt to receive paper statements.	Active members Deferred members	Feedback	Draft and publish	Development of communication material for the 31 March 2024 Annual Benefit Statement being considered.	Annually	11/2023	11/2024
Pensions Savings Statements published via the Member Portal (by 6 October each year). Members can opt to receive paper statements.	Active members	Feedback	Draft and publish	N/A	Annually	11/2023	11/2024
Payslips published via the Member Portal . Members can opt to receive paper copies.	Pensioner members	Feedback	Draft and publish	N/A	Ongoing	N/A	N/A
Declaration of pension entitlement to pensioners that live overseas each year, or whenever a pensioner payment or mail is undelivered, to verify a member's continuing entitlement to receive pension payments.	Pensioner members	N/A	Draft and publish	N/A	Ongoing	N/A	N/A
Latest news updates via an update to the website .	All members Employers	Feedback	Draft and publish	Articles relating to the Active and Deferred member newsletter and delays to processing transfers published.	Ongoing	N/A	N/A
Pre-Retirement courses through the West Sussex Learning and Development pages .	Active members	Arrange	Promote	N/A	Ongoing	N/A	N/A
The Employer Manual sets out policies and procedures for employers including the admission and exit.	Employers	Feedback	Draft and publish	N/A	Ongoing	N/A	N/A

Communication	Audience	WSCC Role	Admin Team Role	Current or Future Activity	Frequency of Review	Previous Review Date	Future Review Date
Regular employer newsletters (Pension Matters) and Stop Press communications to employers to advise on relevant topics.	Employers	Feedback	Draft and publish	An employer newsletter was published in December 2023 (Appendix C). In October an article about actions relating to pay settlements was published .	Quarterly	Ongoing	Ongoing
Annual General Meeting	Employers	Lead	Input	Consideration will be given to arrangements to engage with employers going forwards.	Annually	N/A	07/2023
Employer Training with small groups or individual employers	Employers	Feedback	Draft and publish	Training is published on the website .	As required	Ongoing	Ongoing
Actuarial Valuation meetings	Employers	Feedback	Input	N/A	Triennially	N/A	N/A
Feedback requested from customers	All stakeholders		Manage	Training surveys Reporting of complaints and compliments	Ongoing	N/A	N/A



Pensions Matters

Winter 2023



Working in partnership with



LGPS Employers' Newsletter



We hope you find it informative. As always, we welcome any feedback you may have.

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Summary of key actions covered in this edition.

Page 4	If you have had a request to undertake a Data Validation exercise, please return data validation declarations by 15 January 2024.
Page 4	Review any actions needed to prepare for a timely and smooth 2024 employer annual return submission.
Page 5	Ensure you or your payroll provider respond to pension queries raised within 10 working days.
Page 6	Add a mobile number to your Employer Hub account to receive one-time codes via SMS.
Page 6	If not previously attended, look at signing up to an Employer Hub Demo.
Page 7	Review any documents you use promoting the URL for the Hampshire Pensions Member Portal and update with the new URL from January 2024.
Page 7	Ensure you are keeping Hampshire Pension Services up to date with any changes to authorised contacts who should receive communications or be authorised to deal with your organisations LGPS pension administration.
Page 8	Provide full-service information on leaver forms, regardless of whether the data has been provided by a McCloud submission. This is to ensure there is no delay in member benefits being calculated whilst we work on uploading McCloud data to member records.
Page 9	Review pension actions needed if making any backdated pay awards.
Page 10	Ensure correct processes are in place for any pay protections that may apply.
Page 11	Book on to the Employer training bitesize sessions
Page 12	Contact Affinity Connect if you are interested in any pension tax sessions for your employees.

Administration Update

The team have continued to ensure all Service Levels are met. These are published regularly on the Hampshire Pension Services (HPS) [website](#).

As well as Business As Usual (BAU) work, the team have been working on several other areas over the last couple of months including:

- McCloud remedy implementation
- Ongoing development of both our Member Portal and Employer Hub
- Employer performance
- Employer bitesize training
- Issuing of Pension Saving Statements

In December, to increase engagement, we will be issuing a newsletter to both active and deferred members. Over the next quarter the team will continue to focus on the implementation of the McCloud remedy, as well as ongoing development of features on our Member portal.

Moving into 2024, the team will look at further ways we can support employers and payroll providers in 'getting it right first time' to reduce queries needing to be sent. This is an area employers would be keen to reduce as well, and will have a positive impact in reducing delays for members.

Contacting Hampshire Pension Services

Members can contact the team via the Member Portal, via email (pensions@hants.gov.uk) and by phone (01962 845588).

From 4 December 2023, we are making a small change to our phone availability. From this date our phone lines will be open Monday to Friday, 9am to 4.30pm.

Our customer support team will be working and available to answer member emails/secure messages between 8.30am and 5pm.

This change allows us to focus our resources where there is most demand and provide time for any necessary follow up work to be done.



As an employer, if you do have a query which you need some support on, please email pensions.employer@hants.gov.uk. If you would like us to call you, please also let us know of a suitable time and number to reach you.

Query responses

From time to time, we may need to query information provided on an Employer form, or information held on a member's pension record.

Please can you ensure all queries are **responded to within 10 working days**, unless we advise otherwise, to ensure we reduce delays in our ability to administer pension records. If you use a third-party payroll provider, please ensure that they can meet this on your behalf.

More information on Employer SLAs, can be found on the [Pensions Administration Strategy](#).

Data Validation exercise

For those employers who were rated as red for data quality as part of 2023 annual return employer performance process, you will have been asked to complete a data validation declaration and **return by 15 January 2024**.

This is a really useful mid-year check to ensure our records are as up to date as possible for your employees.

As part of this exercise, you should check that you (or your payroll provider on your behalf), have sent all appropriate starter and leaver notifications for member changes since 1 April 2023.

Declarations should be completed and returned by the Scheme Employer (not payroll provider).

If you are an employer who has not received this request, but would be interested in undertaking this exercise, please email pensions.eoy@hants.gov.uk

2024 Annual return

During the next few weeks, we will issue a draft annual return template to employers, to help with planning for the 2024 submission. There will be no changes to the data required on the member breakdown tab. However, employers and payroll providers should note the prompts for checking data before it is submitted.

The 2024 annual return will be due by 30 April 2024.

To help prepare, we wanted to remind you of some other actions you should be taking to help put you in the best position and ensure a smooth 2024 annual return process. As always, if you need any support to submit your annual return data accurately and on time do contact us –

pensions.eoy@hants.gov.uk

- Ensure any outstanding 2023 annual return queries are urgently resolved.
- Ensure you are up to date with starter and leaver notifications, as well notifications for opt outs, 50:50 and main section scheme changes.
- Ensure you are up to date with any contributions or remittance queries.
- Liaise with your payroll provider (if applicable) to ensure they understand the requirements and deadline to submit to you for sign off and submission to Hampshire Pension Services.

Workshops

Annual return workshops will be arranged in between February and April 2024, and will be advertised shortly.



Employer Hub – Online Services

We are pleased to advise that over the last few weeks, we have introduced the **Starter Form acknowledgement**.

When a new starter form is submitted via the Employer Hub an acknowledgment email will be sent to advise that this has been submitted successfully.



Saved Forms

From 15 December 2023 any Employer Forms which have been saved but not submitted after 30 days will be deleted. This is following feedback at the recent Employer Focus group.

When a user completes a form on the Employer Hub, they will have the option to save as they go along, when reaching the end of the Form, the user will be presented with the option to save, go back or submit. It is important that the submit button is selected for the form to reach us and the relevant process started:

 A screenshot of the Employer Hub interface. The main heading is 'Complete DataForm'. Below it, there is a star icon and the text 'Enter Process Data (DataForm)'. Further down, it says 'Completed by * HUB00001Adele Beston' and 'Date 15/08/2023'. A disclaimer states: 'The above is a correct and complete statement of the member's position certified on behalf of the employer.' At the bottom, there are three buttons: 'Save', 'Back', and 'Submit'. The 'Submit' button is highlighted with a red rectangular box.

For more information including a full run through of the Employer Hub processes and submission, please refer to the [Hub user guide](#).

Employer Focus Group

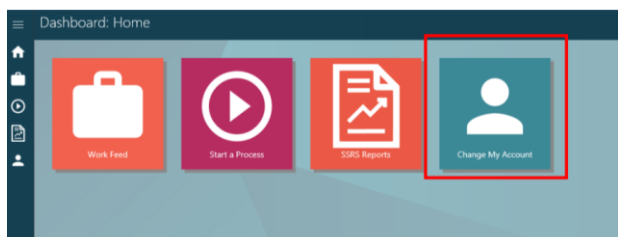
Following feedback on the Employer Hub, we are looking at the following for our Hub development plan:

- Upload of Opt Out forms
- Upload of CETV and member estimate request forms
- Improve wording on the leaver form in terms of dates for cumulative pay that should be input.

Thank you to all who attended the Employer Focus Groups in October 2023 which informed this development.

One-time code

We wanted to remind Employer Hub users that we have introduced one-time codes via SMS (where a mobile number is held for the user) or via the registered email address if no mobile number is held. You can add a mobile number to your Employer Hub account when you are logged in under the ‘Change My Account’ tile.



Employer Hub Demos

As always, we are keen to work with Employers and payroll providers to ensure that the Employer online service is being used to its potential. We are therefore pleased to be offering the following monthly Employer Hub Demonstrations:

8 January 2024	11:00 to 12:00
19 February 2024	11:00 to 12:00

There is no charge for attendance at these sessions – you can sign up for these via our [Employer training web page](#)

To find out more information on the Employer Hub or to access this, please use the link below: [Link to Employer Hub](#) or email pensions.employer@hants.gov.uk

Member Portal – Update and developments

URL changing

Following feedback from members to make the Member Portal more accessible and memorable, we are changing the URL to access the Member Portal to:



mypensionportal.hants.gov.uk

A redirection from the existing URL will be in place for the next 15 months. Members who access the Member Portal via the Hampshire Pension Services website will not be affected.

This change is planned to be implemented around 11 to 13 December 2023.

Transfer documents

As part of ongoing developments to the Member Portal, we are currently working on enabling members to upload documents relating to a transfer via their online account. Watch this space for more information in the future.

Contact Forms and Updates

 A screenshot of a web form titled 'Hampshire Pension Services Employer contact form'. The form is divided into several sections: 'External payroll providers', 'Other employers for whom contacts', 'Addresses', 'Employer Address', 'Pay of associated address', 'Employer contacts and authorisation', and a table for 'Employer contacts and authorisation'. The table has columns for 'Personnel', 'Surname', 'Type of contacts', 'Job title', 'Contact no.', and 'Email address'. There is a 'Save' button in a yellow box.

As always, we just want to remind you that we can only accept and release information to those named on the contacts and authorisation form in the areas that they are named as being able to deal with for you as a Scheme Employer.

It is an employer responsibility to ensure we are kept up to date with any changes, so please keep us updated by emailing pensions.employer@hants.gov.uk and we will send you a copy of your Contact Form to review.

McCloud



The regulations to implement the McCloud remedy and change the existing underpin to ensure it works effectively and consistently for qualifying members, came into effect from 1 October 2023.

Service Data Upload

So that we can apply the remedy, we need to ensure that pension records are updated with the service and service break data for the period 1 April 2014 to 31 March 2022. We are currently working through the Employer McCloud data submissions we have received and are updating records where possible.

Reminder: For members who leave or retire after 1 October 2023 to have remedy calculated, whilst work is ongoing to validate data and update records, we ask employers to provide full-service information on leaver forms, regardless of whether the data has been provided by a McCloud submission.

Member resources

The LGA have created new areas in the member website. The new pages include:

- a short video
- frequently asked questions
- an interactive 'Am I affected?' tool
- examples of how members might be affected
- detailed information about how the remedy will affect different types of members

[The McCloud Remedy: LGPS \(lgpsmember.org\)](https://lgpsmember.org)

Backdated pay award

The local government pay award from 1 April 2023 to 31 March 2024 was agreed in November 2023. For employers whose staff are affected by this, a STOP PRESS communication was issued to advise of the actions that should be taken in respect of pensions:



Active members

- The 2023/24 Annual return should be completed as normal, for those that have received this payment, and reflect the backdated pay award in pensionable pay figures provided.
- Information on how contributions bandings should be reviewed are provided in section 10 of the [LGA HR guide](#).
- The contribution payments are due/collected and payable to the Pension Fund at the point these are paid.

Ex-Employees

When salary arrears are paid to ex-employees who were in the LGPS, the employer must inform Hampshire Pension Services. Employers will need to:

- Advise Hampshire Pension Services of the amended CARE and final pay figures on the 'revised pay spreadsheet'. If you are only paying arrears on request, please can you send this spreadsheet to us no more often than once a month (i.e., not each time a single member contacts you). Please email this to pensions@hants.gov.uk
- Where backdated contributions are paid, please advise the member that you will provide revised pay figures to Hampshire Pension Services, who will write to them as soon as possible. While we will prioritise any members who retired and will recalculate pension and pay any arrears, it may take some time for Pensions to work through these recalculations. We would be grateful if you could set this expectation with the member when you contact them.

Further detail is provided in section 15 of the [LGA HR guide](#) and [LGA Backdated pay award FAQs](#).

If you do have any questions or concerns in respect of the above, please email

pensions.employer@hants.gov.uk.

December 2023

LGPS Pay Protections

Final pay is used to calculate pension built up in the LGPS to 31 March 2014 (or to 31 March 2022 for those entitled to the McCloud remedy).



Final pay must be provided when a member leaves and is usually the average FTE pay during their final year, up to their leaving date.

Best in the last three years

To protect members who have had a drop in pay in the three years up to leaving, you must check the previous two years in case one of them is higher. We do ask this on the leaver form, with the higher figure needing to be provided, along with details of the year that this was from.

Best three-year average in the last 13 years' pay

If an employee's rate of pay was reduced, frozen or restricted in their last 13 years of membership, other than flexible retirement, they can ask you to use the best three-year average of the last 13 years' pay. To do this:

- Calculate a FTE average for each year ended 31 March in the last 13 years.
- Work out each rolling 3-year average and increase in line with inflation.
- The best 3-year average will be the final pay.

More information on final pay, including pay protections can be found on our website. You will also find a 3 in 13 spreadsheet calculator. [Full time pay | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/full-time-pay)

For more information generally on Pensionable Pay, please refer to our [website](#) or come along to one of our [Pensionable Pay workshops](#). If you use a third-party payroll provider, please ensure that they have processes in place to check and provide the above information when needed.

Employer training bitesize sessions



We currently run several virtual bitesize training sessions for Employers on various areas of the LGPS to help them with their administration and regulatory responsibilities. Each session is between 45 minutes and two hours long.

The next available sessions are detailed below:

Employer Hub Demo	8 January 2024	11am
Pensionable Pay	10 January 2024	9.30am
Employers in the LGPS, Starters and Opt Outs	29 January 2024	2pm
APC's, Absences, paying in more, Paying in less – 50:50	31 January 2024	10am
Organisational changes (Outsourcing, Mergers, Change of Payroll)	2 February 2024	11am
Discretions and Disputes (IDRPs)	5 February 2024	10am
Leavers and Retirements, including Starter, Leaver and Estimate Forms	9 February 2024	2pm
Employer Hub Demo	19 February 2024	11am

Please note that **there is no charge** for attendance at any of the sessions above, we do however ask if you are no longer able to attend, that you cancel your space at least 72 hrs in advance. This allows us to reallocate your space as these sessions are often fully subscribed.

For more information and to book your space please visit the [Hampshire Pension Services Employer area](#) of our website.

If you are unable to book a place on a course, email pensions.employer@hants.gov.uk with details of the course you would like to attend, including how many places you require. We will keep a waiting list and will consider running additional training if the demand is high enough.

Pension Tax sessions provided by Affinity Connect



Over the last few years, Affinity Connect have provided Pre-retirement courses to members, as a retirement specialist. These can be booked via this [link](#).

We wanted to let you know that Affinity Connect now offer a session on 'Taking advantage of pension tax allowances' session - [Pension Tax Allowances | \(affinityconnect.org\)](#)

The course is designed to provide employees with an overview of some of the key decisions to consider with their pensions. This will include understanding tax relief opportunities available, the limits applied to obtain tax relief and the consequences of exceeding the limits, including actions to consider with their pensions.

If you would like to find out more on anything Affinity Connect could run for your own employees, please contact events@affinityconnect.org or contact 'Training' on 0800 019 6076.

Other news

LGPC bulletins

The LGA have released the following pension bulletins on their website

<http://www.lgpsregs.org/index.php/resources/news-updates>

Bulletin 244 – November 2023

- McCloud member factsheet
- HMT confirms LTA abolished from next April
- Pensions Dashboards

Bulletin 243 – October 2023

- Academy conversions guidance
- Public service pensions remedy newsletter
- McCloud – Dedicated areas of member websites
- Pensions Dashboards
- September CPI rate announced

Bulletin 242 – September 2023

- McCloud member factsheet
- LGA response to abolishing the Lifetime Allowance (LTA)
- Article on reasons why dashboards are needed
- Pensions (Extension of auto-enrolment Act 2023)

If you have any topics, you would specifically like covered, please let us know for consideration by emailing pensions.employer@hants.gov.uk

We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries, please email pensions.employer@hants.gov.uk and we'll be glad to help.

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[Hampshire Services \(https://www.hants.gov.uk/hampshire-services\)](https://www.hants.gov.uk/hampshire-services) >

[Hampshire Pension Services \(https://www.hants.gov.uk/hampshire-services/pensions\)](https://www.hants.gov.uk/hampshire-services/pensions) >

[Local Government Pension Scheme \(https://www.hants.gov.uk/hampshire-services/pensions/local-government\)](https://www.hants.gov.uk/hampshire-services/pensions/local-government)

Welcome to the Local Government Pension Scheme (LGPS) 2023 pension update



**west
sussex
county
council**



Agenda Item 8 Update from the Fund

During the 2022/23 financial year the Fund successfully completed the 31 March 2022 Actuarial Valuation by the statutory deadline (31 March 2023). Member benefits are guaranteed, but this is a key health-check to ensure the Pension Fund remains on course to hold enough assets to pay the pension benefits built up by participating members. This showed a funding position of 125%, and as a result 88% of employers were able to benefit from a reduction in their contribution rate from 1 April 2023.

2022/23 has been a challenging year for investors, including the Pension Fund. On 31 March 2023 the fund was valued at £5.324 billion, and overall the Fund outperformed its market benchmark. The Pension Fund maintains a long term approach to managing the Scheme in the best interests of its nearly 86,000 members.

A key objective of the Fund is to deliver a good administration service to all stakeholders with processes and procedures to ensure that good quality information is held, that it receives all income due and makes payments to the right people at the right time. The administration team have continued to achieve 100% compliance in the performance indicators during the year.

Pension Fund Annual Report summary ([HTTPS://WWW.WESTSUSSEX.GOV.UK/MEDIA/19432/ANNUAL_REPORT_SUMMARY.PDF](https://www.westsussex.gov.uk/media/19432/annual_report_summary.pdf))

Full Annual Report (<http://www.westsussex.gov.uk/pensions>)

Am I saving enough for retirement?



Do you know how much income you will have when you retire? Will it be enough to pay for the basics - or even the luxuries that we all enjoy?

Check what pension you can expect from your LGPS by using our member portal to look at your annual benefit statement.

Login to member portal (<https://upmliveportal.hants.gov.uk/>)

The Pensions & Lifetime Savings Association (PLSA) has produced some very helpful information that shows what your retirement could look like at three different income levels – minimum, moderate and comfortable. They explain what is included in these lifestyles and what a range of common goods and services would cost for each level.

You can find the information on the [PLSA website](https://www.retirementlivingstandards.org.uk/) (<https://www.retirementlivingstandards.org.uk/>).

 Planning your retirement?

Money Helper is a free to use service backed by the Government. You can call them and talk to a pensions specialist on 0800 011 3797, submit an online query or use their webchat.

Whilst some of the information on the Money Helper website covers [Defined Contribution Pension schemes](https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-contribution-pension-schemes) (<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-contribution-pension-schemes>), there is a large amount relevant to [Defined Benefit Schemes](https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-benefit-or-final-salary-pensions-schemes-explained) (<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/defined-benefit-or-final-salary-pensions-schemes-explained>) like the LGPS.

Under “Pensions and Retirement” you will find guides to help you understand more about pensions including the State Pension and Tax and Pensions:

Help with pensions and retirement (<https://www.moneyhelper.org.uk/en/pensions-and-retirement>)

Money Helper also provide a Money Midlife MOT tool, to help you assess your current financial situation and plan for the future. It is targeted at those between the ages of 45 and 65 and provides a personalised report which suggests what to prioritise. It links to guidance on how to improve your financial wellbeing from midlife through to retirement:

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Use the Money Midlife MOT Tool (<https://www.moneyhelper.org.uk/en/everyday-money/midlife-mot>)

You can find out more about taking your LGPS pension here (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/retiring>).



Can I increase my Local Government Pension Scheme (LGPS) benefits?

If you are an active member of the LGPS, paying more to your LGPS pension is one way of increasing your retirement benefits. It can be a cost-effective way to do this as your pension contributions qualify for immediate tax-relief through your employers PAYE system. For a standard rate taxpayer, a £10 pension contribution will only result in an £8 decrease in your pay due to the tax saving.

There are two ways to increase your LGPS pension:

- Additional Pension Contributions (APCs)
- Additional Voluntary Contributions (AVCs)

You can find more information on these on our website:

Increase your pension benefits (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/increase-pension-benefits>)

There are many ways to save for your retirement. As with all financial decisions, you should think about your own personal circumstances. You may wish to take independent financial advice about the best option for you to increase your income in retirement.



Worried about the cost of living?

With the cost of living increasing in the UK recently and with annual inflation reaching levels we have not seen for years, many families and individuals are struggling to manage. With everyday essentials now costing more, your money may not be going as far as it used to.

[Help and advice is available on the Money Helper website](https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living)

[\(https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living\)](https://www.moneyhelper.org.uk/en/money-troubles/cost-of-living) which includes guides and calculators for budget management.

Some people may be eligible for government benefits to help cope with the increased cost of living. The government provides a tool for individuals to check what benefits and financial support they may be eligible for on their website:

Check benefits and financial support you can get (https://www.gov.uk/check-benefits-financial-support?_ga=2.178210085.1000575526.1681226796-584786341.1681226796)



Can I reduce how much I pay into my LGPS pension?

If you are an active member and are struggling to afford your pension contributions, as a short-term measure you can reduce your pension contributions by joining the 50/50 section of the LGPS. You will pay half your normal contributions and build up half your normal pension. However, you will keep full life and ill health cover. You can move back to the main section of the scheme when you are ready.

Find out more about the 50/50 section on our website.

Reduce your pension contributions. (<https://www.hants.gov.uk/hampshire-services/pensions/local-government/current-members/reducing-pension-contributions>)

Member portal and how to contact us

Our main point of contact is our [Member Portal \(https://upmliveportal.hants.gov.uk/\)](https://upmliveportal.hants.gov.uk/) which allows you to access your pension details and annual statements 24 hours a day. You can use it to update your address or personal details, send us a secure message or complete some member forms.

You can also use the Portal to run an estimate at a date of your choosing. You can run as many estimates as you like. The estimate will be based on the information we currently hold on your record, so it is important that you check that your details are correct. If the information we hold is not correct, then any estimate you run will not be accurate.

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You can also complete or update an 'expression of wish' form on the Portal to tell us how you would wish us to pay any lump sum death grant which may be due.

If you have any difficulties with using the Portal our staff are available during to assist by telephone: 01962 845588 (**Monday to Friday:** 9am to 4.30pm)

You can also email us at: pensions@hants.gov.uk (<mailto:pensions@hants.gov.uk>)

We encourage all members to provide us with a personal email address to enable us to keep in touch with you. This saves you having to remember to update us if you change your job or your work email.

LGPS rule change – the McCloud judgement

What is McCloud?

When the government reformed public service pension schemes in 2014 and 2015, older members were protected from the changes. In December 2018, the courts ruled that younger members of the judges' and firefighters' pension schemes had been discriminated against because the protections did not apply to them.

This ruling is called the McCloud judgement after a member of the judges' pension scheme involved in the case.

The rules of all public service pension schemes, including the LGPS, changed from 1 October 2023 because of the ruling. The changes are known as the McCloud remedy and they remove the age discrimination found in the McCloud judgement.

In the LGPS, older members were protected by the underpin. When a protected member retired, their pension in the career average scheme was compared with the pension they would have built up in the final salary scheme. If the final salary pension would have been higher, their pension increased.

From 1 October 2023, eligible younger members are also protected by the underpin. Not all LGPS members are eligible for protection. The underpin will protect the pensions of eligible members that they built up in the remedy period. The remedy period is from 1 April 2014 to 31 March 2022. Underpin protection stopped earlier if you left the LGPS or reached your final salary normal pension age before 31 March 2022.

What do you need to do?

You do not need to take any action. We will work out if you are protected. If you are, when you take your pension, we will work out if it will increase because of the underpin. Any increase is known as a 'final underpin amount'.

Not many members will get the final underpin amount because, for most members, the pension they built up in the career average scheme is higher than they would have built up in the final salary scheme.

Active members

If you are a protected active member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

If you leave the LGPS, we will work out provisional underpin figures for you. We can only work out the final figures and any increase to your pension (a final underpin amount) when you take your pension.

Deferred members

If you are a protected deferred member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

We will work out final figures and any increase to your pension (a final underpin amount) when you take your pension.

Find out more

You can find out more about the judgement by reading the [McCloud pages of the national LGPS member website \(https://www.lgpsmember.org/mccloud-remedy/\)](https://www.lgpsmember.org/mccloud-remedy/).

Minimum pension age

Currently, LGPS members can choose to take their pension benefits from age 55. However, the government has announced that the minimum age to take benefits, other than on ill health grounds, will rise to age 57 from 6 April 2028.

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The LGPS and stock markets

The LGPS is a defined benefit scheme; this means that the benefits are guaranteed and they are not linked or subject to stock market performance but are set out in statutory regulations.

Although short-term investment values may vary, the LGPS, as a long-term investor, is securely managed to address any longer term impacts.

LGPS scheme members can therefore be assured that both their contributions and their pension, whether in payment or built up to date, will be unaffected by short-term investment value changes.

Member website - Tell us what you think

Our website is packed with information about your pension and we regularly add updates. We'd love to know what you think and if you have any suggestions to improve it. Please help us by completing our survey giving us your views.

Take the survey (<https://hampshirecc.welcomesyourfeedback.net/dkiom1>)

Pension scams



Unfortunately pension fraud is growing. Everyone is vulnerable as scams become more sophisticated and more varied. For example, scammers have been known to deliberately imitate the website of a prominent, reputable company. They then lure in pension savers with attractive offers to transfer their pension or release funds from it.

Our scheme members are particularly vulnerable when they try to transfer their pension. Before transferring, you are recommended to seek independent financial advice from an adviser who is on the Financial Services register – please visit: [ScamSmart - Avoid investment and pension scams | FCA \(https://www.fca.org.uk/scamsmart\)](https://www.fca.org.uk/scamsmart)

Be aware that if you are contacted unexpectedly and offered a free pension review, it is likely to be a scam. **Professional advice on pensions is not free.**

Find out more about scams at [Money Helper \(https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam\)](https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam) or on our website at [Pension scams \(https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/transferring-in-or-out-lgps/transferring-out-lgps/pension-scams-liberation\)](https://www.hants.gov.uk/hampshire-services/pensions/local-government/about-the-scheme/transferring-in-or-out-lgps/transferring-out-lgps/pension-scams-liberation)

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**Key decision: Not applicable
Unrestricted**

Report to Pension Advisory Board

09 February 2024

Regulations and Governance Update

Report by the Chairman of the Pension Advisory Board

Summary

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

Recommendations

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

Proposal

1. Background and context

- 1.1 The Board receives updates on regulatory changes at each meeting but has decided that access to the websites for the LGPS, the SAB, and tPR provides an additional and valuable source of information and reference 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 Emails from the Local Government Association (LGA) announcing the issue of these Bulletins are forwarded to all Board members for early reference, and any matters of significance to the Board's activities are drawn to the attention of members. The most recent was Bulletin 245 in December.
- 2.2 Full details of the Bulletins are available on the Local Government Pensions Committee (LGPC) website (www.lgpsregs.org) under "LGPC Bulletins". Other changes or potential changes to the regulations are addressed in the Administration report on the agenda.

3. Scheme Advisory Board/DLUHC outstanding issues

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- 3.1 The SAB last met on 4 December and a summary note of the meeting has been published on their website. A copy of this note is provided in **Appendix A** for ease of reference and provides an update of progress on certain developments at the time of their meeting. The only point of note is the indication that revised annual reporting guidance will be produced in the Spring to apply initially on a voluntary basis for the 2023/24 fund annual reports.
- 3.2 Subsequent to that meeting, the SAB has issued a Statement on Surpluses. This is principally about continuing high funding levels for most funds and the impact these might have on employer contribution rates. The full statement is available on the SAB website and is not included with this report as it is not a 'live' issue for the Board until such time as funding strategy is considered by the Pensions Committee.
- 3.3 However, it is worth noting the final paragraph of the Statement, replicated below, as it makes reference to local pension boards.

"In the rare cases where it is proposed to set a negative secondary contribution at a level that puts the overall employer contribution in line with, or below, average employee contributions (generally around 6.5%), funds should consider how best to present this and may wish to seek views from employee representative members on their Local Pension Board, before moving to do so."
- 3.4 As part of the Autumn Statement, the Government announced that it had concluded its consultation on "The Next Steps on Investments" for the LGPS. The consultation has been considered by the Committee and Board at previous meetings. There is no indication yet as to how this will be taken forward but new regulations and/or guidance can be expected in the coming year.

4. The Pensions Regulator (tPR)

- 4.1 The new combined Code, now called the "General Code" was issued on 10 January 2024 and has been laid before Parliament. The new requirements are expected to come into force from 27 March 2024. While funds are expected to comply with the new Code from that date, there is usually some leeway given for implementation but there is no indication of how long this might be.
- 4.2 A copy of the Code has not been attached to this report as it has yet to receive final approval, but a copy is available on tPR's website. The document is long, 171 pages, has 51 modules and 5 key sections. These cover The Governing Body, Funding and Investment, Administration, Communications and Disclosure, and Reporting to tPR. There are two references to the LGPS to exclude the Scheme from certain sections but no references to local pension boards.
- 4.3 TPR indicated during their consultation period that it was a deliberate intention not to identify which sections of the Code apply to which schemes and the index is not helpful in this respect. However, there will be copious amounts of advice and various training opportunities available to assist the officers, the Committee and the Board in implementing the new requirements. Needless to say, this will represent a major piece of work for the fund in the coming year.

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

N/A

6. Consultation, engagement and advice

N/A

7. Finance

N/A

8. Risk implications and mitigations

8.1 ***Failure of Board members to maintain a suitable level of knowledge and understanding*** – By having this report as a standing item for each Board meeting, members are kept abreast of developments.

8.2 ***New training requirements imposed on the Board in relation to compliance testing*** – Monitoring new developments in this way should identify potential new requirements at an early stage.

9. Policy alignment and compliance

9.1 Integral part of agreed training strategy.

Peter Scales

Chairman of the Pension Advisory Board

Contact Officer:

Suzannah Hill, Democratic Services Officer,
033022 2251 suzannah.hill@westsussex.gov.uk

Appendices

Appendix A – Summary note of the meeting of the SAB on 4 December 2023

Background papers

None

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Appendix A**Scheme Advisory Board****Summary note of (hybrid) meeting held on 4th December 2023**

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the meeting on 17th July were approved. The main points arising from the meeting are shown below:

Cllr Phillips confirmed that he had written to welcome the **new Local Government Minister**, Simon Hoare MP, to his role, and would be seeking a meeting with him in the New Year.

On the **BDS¹ Bill**, it was reported that no date had yet been set for 3rd reading. All amendments so far presented in Parliament had been defeated although the Minister had given a commitment to clarify the Explanatory Notes to be clear that councillors could express personal views at a Pension Committee or outside of meetings where they were not speaking on behalf of the Administering Authority. The Secretariat would continue to offer technical briefing to MPs and Lords in relation to the Bill.

It was noted that DLUHC's response to their consultation on LGPS investment policy was announced alongside the **Autumn Statement**. The Board gave some initial reactions to the response and agreed that it would make further formal representations to the Department on those issues where its advice did not appear to have been taken on board.

The Board discussed a draft **Surplus statement** and agreed that it would take a little longer to make sure that the tone and content were right. They also considered how best to communicate their message to funds and employers, as well as to members through the trade unions.

The Board agreed that it would take up the option in the current contract with Byhiras to extend by two years the provision of a Code of Transparency monitoring and reporting system. The Board also approved its own **budget and workplan** submission to the Minister for 2024/25.

The Board heard from GAD that the results of the HMT **Cost Control Mechanism** were expected to be announced early in the New Year. The Board set its own assumptions for the separate **Scheme Cost Assessment** that is managed by the Board.

The Board noted that there was a timeline now for production of new **Annual Reporting guidance** in the Spring, which would initially apply on a voluntary basis from December 2024 for 2023/24 fund annual reports. A timetable for revision of

Agenda Item 9

the **Funding Strategy Statement Guidance** was being worked up with CIPFA's input.

The Board noted the contents of the report it commissioned from a respected Islamic finance scholar on the issue of **Sharia law and the LGPS**, and the range of views that Muslim members and potential members might have on that question. It was agreed that the report would be published on the SAB website in the next few weeks, with appropriate context and commentary.

Finally, the Board thanked Cllr Yvonne Johnson (Ealing, Labour) for all of her input as her five-year term came to an end at this meeting. She will be replaced Cllr Peter Mason (Ealing, Labour).

Date of Next Meeting – 11th March 2024

¹ Boycott, Divestment and Sanctions

**Key decision: No
Unrestricted**

Report to Pension Advisory Board

09 February 2024

Policy Documents

Report by Director of Finance and Support Services

Summary

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

Recommendations

- (1) That the Board notes the register of Policy Documents
 - (2) That the Board provides 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 Board's 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 its 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 2021.

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- 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). The updated 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 2021.
- 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 reflect the Constitutional arrangements and make the document more user friendly (including reference to the wider complaints process).
- 3.4 The draft IDRP is provided in Appendix E for review by the Board against Regulations and Guidance.

Taryn Eves

Director of Finance and Support Services

Contact Officer: Rachel Wood, Pension Strategist, 0330 222 3387

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

Background papers

None

Appendix A

Register of Pension Fund Policy Documents

POLICY	Regulation	Responsibility under Constitution	Importance	How often it should be reviewed	Most recent PAB review date	Next date for PAB to review
Actuarial valuation	LGPS Regulations 2013 Regulation 62	N/A	Statutory required	Every 3 years	May 2023	After 31 March 2026
Administering Authority Discretions	LGPS Regulations 2013 Regulation 60	Pensions Committee	Statutory required	Every 4 years	Nov 2023	Nov 2025
Administration Strategy	LGPS Regulations 2013 Regulation 59	Director of Finance and Support Services jointly with the Director of Law and Assurance	Highly recommended	Every 2 years	Apr 2021	Jul 2024
Annual Report	LGPS Regulations 2013 Regulation 57	Pensions Committee ¹	Statutory required	Annually	July 2023	Q2 2024/25
Breaches policy	Pensions Act 2004 Regulation 70	Director of Finance and Support Services jointly with the Director of Law and Assurance	Highly recommended	Every 2 years	Nov 2021	Feb 2024
Business Plan	N/A	Pensions Committee	Highly recommended	Every year	Each meeting	Each meeting

¹ To consider

POLICY	Regulation	Responsibility under Constitution	Importance	How often it should be reviewed	Most recent PAB review date	Next date for PAB to review
Communications Policy Strategy	LGPS Regulations 2013 Regulation 61	Director of Finance and Support Services jointly with the Director of Law and Assurance	Statutory required	Annually	Nov 2022	Jul 2024
Conflict of Interest	Public Service Pension Act 2013 Regulation 5(4) and 5(5)		Highly recommended	Every 3 years	Nov 2021 (Draft)	Q3 2024/25
Funding Strategy Statement	LGPS Regulations 2013 Regulation 58	Pensions Committee	Statutory required	Every 3 years	Sept 2022	Q2 2025/26
Governance Policy and Compliance Statement	LGPS Regulations 2013 Regulation 55	Pensions Committee	Statutory required	Every 2 years	May 2022	Q1 2024/25
IDRP (Internal Dispute Resolution Procedure)	The Pension Regulator & Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008	Director of Finance and Support Services jointly with the Director of Law and Assurance	Highly recommended	Every 3 years		Feb 2024

POLICY	Regulation	Responsibility under Constitution	Importance	How often it should be reviewed	Most recent PAB review date	Next date for PAB to review
Investment Strategy Statement	LGPS Regulations (Management and Investment of Funds) 2016	Pensions Committee	Statutory required	Every 3 years	May 2023	TBD
Privacy Notice	Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679	Director of Finance and Support Services jointly with the Director of Law and Assurance	Statutory required	Every 3 years	Apr 2021	Q1 2024/25
Treasury Management Strategy Statement	Treasury Management Code of Practice	Pensions Committee	Required	Annually	Feb 2023	Q4 2023/24

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Appendix B – 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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Complaints Procedure including LGPS Internal Dispute Resolution Procedure (IDRP)

(January 2024)



Background

The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme with 5 million members across over 10,000 employers. The LGPS in England and Wales is administered locally through 90 local pension funds. The scheme regulations are made under the Superannuation Act 1972 and the Public Service Pension Schemes Act 2013.

West Sussex County Council is the Administering Authority responsible for maintaining and managing the West Sussex Pension Fund on behalf of its stakeholders: the scheme members and employers participating in the Fund.

In fulfilling its role, West Sussex County Council makes arrangements for the day-to-day administration of member records.

The Pension Fund is committed to providing a quality service and working in an open and accountable way that builds trust and respect. One of the ways in which it can continue to improve the service provided is by listening and responding to the views of stakeholders, by responding positively to complaints, and by putting mistakes right.

Many concerns will be raised informally and dealt with quickly. For the West Sussex Fund the day-to-day administration is carried out by the team at Hampshire Pension Services. The team can be contacted using the details below:



pensions@hants.gov.uk



<https://mypensionportal.hants.gov.uk/>



01962 845588



Hampshire Pension Services,
The Castle,
Winchester, SO23 8UB

However, from time-to-time individuals may not be satisfied with the service provided, with a decision made by the Pension Fund in relation to their and / or with a decision or the consideration of a complaint by an employer under their own complaints procedure.

In these circumstances, an individual has the right to ask for it to be investigated or looked at again under the pension service's formal complaint procedure or the Internal Dispute Resolution Procedure. A complaint may be made by an individual or someone on their behalf – for example - a friend, relative, legal adviser or union representative.

Any complaint made is treated seriously and considered thoroughly and fairly.

No charge is made at any stage for investigating a complaint.

Formal Complaints Procedure

If you want to make a formal complaint about the service that you or another individual has received from the Pension Fund or about actions or decisions of its officers as part of the administration of the scheme you should write to the team and set out the complaint and what outcome is sought. Supporting documentation can be provided to support the complaint.



pensions@hants.gov.uk



Hampshire Pension Services,
The Castle,
Winchester, SO23 8UB

The team will acknowledge the complaint within five working days. The complaint will be investigated by a senior manager and a full reply will be provided within a maximum of 20 working days.

Sometimes, due to the complexity of the complaint, the team will not be able to meet this timescale. If this happens, the individual will be contacted and kept fully informed of the progress being made.

If the complaint is related to a decision made about a pension by you or another individuals current or former employer, the relevant employer's complaints procedure should be followed.

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Internal Dispute Resolution Procedure (IDRP)

A complaint can be made under the Internal Dispute Resolution Procedure (IDRP) when the complaint relates to a decision affecting you, or another individual, in relation to the Scheme or if a decision should have been made but it hasn't been.

However, if an employer has made the decision in question, then their IDRP must be followed.

This IDRP is a two-stage process in which the decision which has been made may be reviewed by a person independent of the original decision-maker.

IDRP Stage 1

The purpose of Stage 1 of the IDRP is to carry out a formal review of the initial decision by the Administering Authority. It presents an opportunity to reconsider the decision and, where appropriate, to alter the decision if it was not a reasonable one to reach based on the relevant procedures, legislation and evidence.

The right to ask for a matter to be reviewed.

Stage 1 can be used if an individual's dispute relates to a decision made by West Sussex County Council as Administering Authority of the Scheme. The procedure relates to:



Prospective member who is thinking of joining the Pension Fund



Active member who is currently contributing to the Pension Fund



Deferred member who has left the scheme, but whose benefits remain in the Pension Fund



Pension Member who is in receipt of a pension benefit from the Pension Fund



A dependent for example, the husband, wife, or child of a member who has benefits in the Pension Fund

How to apply for a dispute to be resolved.

The application should normally be made within six months of the day of the decision which is being reviewed and in writing to the address below:



pensionsIDRP@westsussex.gov.uk



Director of Finance and Support Services
County Hall,
Chichester, PO19 1RG

What must be included in an application?

The "Application under the Internal Dispute Resolution Procedure" form may be used. Whilst this is not compulsory, all relevant information which is specified on the form is still required and must be provided when the application is submitted.



[Application under the Internal Dispute Resolution Procedure](#)

How decisions will be reached

The case will be considered by a person nominated by the Director of Finance & Support Services (the "Adjudicator").

The Adjudicator will check that the application has been submitted within six months of the relevant date and send an acknowledgement to the applicant.

The Adjudicator will then consider all facts, reports, background information before reaching a determination. Further evidence may be requested.

How the applicant will be notified of the decision

A written reply will be provided within two months of receiving the application, and within 15 working days after the decision has been made.

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IDRP Stage 2

Stage 2 of the IDRP can be used when an applicant is unhappy with the Adjudicator's decision under Stage 1 of the IDRP, or under Stage 1 of their employer's IDRP.

Stage 2 can also be used if an application has been made at Stage 1 and no reply has been provided within three months or no decision has been made within a month of when it should have been received.

The person determining appeals at Stage 2 on behalf of the Administering Authority will undertake the function in a similar way to the Adjudicator under Stage 1. The appeal must be considered in a fair and impartial manner. No person who was involved in the making of the original decision or the Stage One Adjudicator's decision can be involved in a decision on reconsideration.

The right to ask for a matter to be reviewed.

If an individual is unhappy with a Stage 1 decision, they have six months to appeal to a Stage 2 Adjudicator appointed by the Pension Fund.

How to apply for a dispute to be reviewed.

The Stage 2 appeal must be in writing to the Director of Law and Assurance, West Sussex County Council:



pensionsIDRP@westsussex.gov.uk



Director of Law and Assurance
West Sussex County Council
County Hall,
Chichester, PO19 1RG

What must be included in an application?

The "Application under the Internal Dispute Resolution Procedure" form may be used, but this is not compulsory. Whilst this is not compulsory, all relevant information which is specified on the form is still required and must be provided when the application is submitted.



[Application under the Internal Dispute Resolution Procedure](#)



Stage 1 decision

How decisions will be reached

This review will be undertaken by a person not involved in the first stage decision and will be considered carefully by a person nominated by the Director of Law and Assurance (the "Adjudicator").

The Adjudicator will reconsider the Stage 1 decision, taking full account of the facts of the case and any evidence submitted, or relied on, by either party in the determination at Stage 1, check that the Regulations were applied correctly and check that sound, impartial procedures were used to reach the decision.

How the applicant will be notified of the decision

The Adjudicator will give their decision in writing within two months of receiving the application, and within 15 working days after the decision has been made.

Outcome of the decision

If the Adjudicator's decision differs from the original decision the matter will be dealt with in accordance with the Adjudicator's decision. The Adjudicator may decide that the exercise of a discretion should be reconsidered.

If an individual is unhappy following this second stage decision, they can take the case to The Pensions Ombudsman.

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The Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute involving maladministration or matters of fact or law and their decision is final and binding but matters where legal proceedings have already started cannot be investigated.

The right to ask for a matter to be reviewed.

The Pensions Ombudsman (TPO) will take a fresh look at a complaint in line with the situations set out below. A complaint to The Pensions Ombudsman should be made after consulting with the Ombudsman's pensions advisory service and after exhausting the Pension Fund's complaints or IDRP processes.

If the complaint was considered as a formal complaint, a decision was received, but the individual remains unhappy, or a decision has not been provided then the matter can be considered by the Pensions Ombudsman. A complaint should be made within three years from the date of the original decision about which the individual is complaining.

There is discretion for the time limits to be extended.

How to apply for a dispute to be reviewed.

The complaint should be made in writing to The Office of the Pensions Ombudsman:



enquiries@pensions-ombudsman.org.uk



www.pensions-ombudsman.org.uk/making-complaint

What must be included in an application?

A complaint to the Pensions Ombudsman should include evidence that the issue has been raised with the person considered to be at fault and they have been given the opportunity to respond.

How decisions will be reached

The Pensions Ombudsman usually deal with cases in the order in which they receive them.

The case will be allocated to an adjudicator as soon as one becomes available.

The adjudicator will review the case and may ask the people involved in the complaint for more information, or to provide a detailed response to the complaint.

How the applicant will be notified of the decision

The adjudicator will give their view on your complaint, normally in writing.

Outcome of the decision

The Adjudicators view might be that nothing has gone wrong in which case they will explain their reasons for saying so. If the adjudicator's view is that something has gone wrong, they will explain their thinking and say what action, if any, should be taken.

TPO's decision is final and binding on all the parties, subject to any appeal made to the court on a point of law or any separate legal process.

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Additional Help

MoneyHelper 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.

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



[Free and impartial help with money, backed by the government | MoneyHelper](#)



0800 011 3797



MoneyHelper,
120 Holborn,
London, EC1N 2TD

Pensions Ombudsman 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 IDRPs has been completed.



[The Pensions Ombudsman](#)

enquiries@pensions-ombudsman.org.uk



0800 917 4487



The Office of the Pensions Ombudsman,
10 South Colonnade,
London, E14 4PU

Appendix D – Extract from The Pension Regulator Code 14: Governance and administration of public service pension schemes

<https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-14-public-service-pension-code-of-practice#:~:text=The%20code%20is%20structured%20as,risks%2C%20administration%20and%20resolving%20issues.>

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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Appendix E

Reporting Breaches of the Law related to the Pension Scheme

Background

This document sets out the West Sussex Pension Fund's policy and procedure for identifying, reporting and managing breaches of the law and the responsibilities of those who become aware of any breach of law relating to the management and administration of the Fund.

The Responsible Officer (Pension Fund Strategist) will be responsible for the management and effective application of this breaches policy.

This policy covers the responsibility of those persons who are involved in the management and administration of the Fund. It is based on the content of the Pension Regulator's Code of Practice. It does not cover the responsibility of other persons described in the Code of Practice. In particular it does not cover the responsibility of scheme employers.

Breaches of the law which affect pension schemes should be reported to the Pensions Regulator in accordance with its Code of Practice. Failure to report a breach without reasonable excuse is a civil offence that can result in financial penalties.

Consideration of the implications of individual breaches also provide an opportunity to learn and to review and improve processes.

What is a breach of the law

A breach of the law is an act or omission which is in contravention of a statutory provision or regulation or of any court order or of any policy requirement which is in place in accordance with legal and regulatory requirements. It can cover many aspects of the management and administration of the scheme, including failure:

- to do anything required under the LGPS Regulations.
- to do anything required under relevant legislation, statutory guidance or codes of practice.
- to act on evidence of a fraudulent act or omission.
- to make payments to the Fund or to any person in accordance with the Pension Fund policies and commitments to members.
- to provide information or maintain records in accordance with Regulations.

The duty to report - officers elected members and 'reporters'

All staff involved in the management or administration of the Fund are required to take a pro-active approach to the identification and reporting of all breaches that come to their attention as having occurred, or likely to occur. All staff should ensure

that any identified breach is drawn to the attention of a senior officer (see 'reporters' below) or to the Responsible Officer.

Members of the Pensions Committee or of the Pensions Advisory Board may also become aware of a breach or potential breach and, if so, should draw this to the attention of one of the officers responsible for the management of the Pension Fund or the Responsible Officer. Members may reasonably require confirmation that the matter has been properly reported or attended to in accordance with this policy.

There should be no delay between the identification of a breach and its reporting in accordance with this policy. Action should be taken as quickly as is reasonably practicable. It is not necessary for the individual to carry out an investigation to verify any concerns or suspicions although a report should be based on a reasonable understanding or rules and requirements and the implications of the issue identified.

Reporters

The Code of Practice identifies the following as Reporters:

- Scheme managers (in this case the Pensions Committee, the Director of Finance and Support Services and the Director of Law and Assurance).
- Members of the Pension Advisory Board
- The administrator of the Fund (in this case officers of the County Council who are involved in the administration of the Pension Fund)
- Scheme employers.
- Professional advisers (including the Fund actuary, benefit consultants, investment advisers, legal advisers).
- Third party providers (where so employed and, in this case Hampshire County Council's Pensions Service).

Reporters are required to:

- identify and assess the severity of any breach or likely breach they become aware of.
- report all breaches or likely breaches to the Pension Regulator in accordance with this policy.
- in conjunction with relevant colleagues agree a proposed course of action to rectify the breach, obtaining appropriate legal or other advice as necessary.
- ensure that the appropriate corrective action is taken to rectify the cause of the breach or likely breach and to prevent it from reoccurring.
- co-operate with, and assist in, the reporting of breaches and likely breaches to the Regulator and in any requested report to the Pension Committee or Pension Advisory Board.

The decision to report to the Pension Regulator

Where anyone has reasonable cause to believe that a breach has occurred it should be notified to a Reporter or to the Responsible Officer. This should be done as soon as reasonably practicable.

The notification should be recorded, assessed and, where necessary, reported by the relevant Reporter or by the Responsible Officer.

Not every breach that is identified needs to be reported to the Regulator, only those where the Reporter or Responsible Officer has reasonable cause to believe a breach has occurred and that it is likely to be considered materially significant by the Regulator. Any report to the Regulator must take place as soon as reasonably practicable.

Reasonable cause to believe

The Reporter suspecting that a breach may have occurred does not need to investigate the matter or secure all relevant evidence. They should however base their belief on an understanding of the relevant rule of law or regulatory provision and a reasonable checking of the information on which the concern is based so as to establish a basis for believing a breach has taken place.

Materially significant

The reporter or the Responsible Officer will determine whether there has or may be a breach of the law and whether it is materially significant, having regard to the guidance set out in the Code of Practice and after consultation with such advisers they deem appropriate. This may include Legal Services, the other senior officers within the Pensions Fund and relevant external advisers.

To determine whether the breach is materially significant the reporter will consider:

- Cause – what led to the breach e.g. dishonesty, poor governance, incomplete or inaccurate information.
- Effect – what is the effect of the breach e.g. inaccurate records, incorrect payments, potential for further breaches occurring, risk of claim.
- Reaction – e.g. taking prompt, correct and effective action to respond to and resolve a breach or being slow or incomplete in responding.
- Wider implications – e.g. likely that other failings will emerge due to the issue identified or that other transactions or other employers or members may be affected.

Breaches can, using these factors then be categorised as:

- **Green** – not caused by dishonesty, poor governance or a deliberate contravention of the law and where its effect is not significant and there are no wider implications. A plan is put in place in a timely way to rectify the

situation. In such cases the breach will not be reported to the Regulator but should be recorded in the Fund's breaches log.

- **Amber** –requires further advice or the gathering of additional information to determine whether it is significant, such as a need to be clear on the cause or the effect of the breach. This additional assessment should be undertaken promptly to determine whether the breach should be reported.
- **Red** - caused by dishonesty, poor governance or a deliberate contravention of the law or, even if not, it is likely to have a potentially significant impact for the Fund or its members, even where a plan is in place to rectify the situation. All such breaches must be reported to the Regulator without delay.

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 reoccurrence or
- 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.

Where uncertainty exists as to the materiality of any identified breach the Reporters will be required to notify the Regulator of the issue and the steps being taken to resolve it. They must respond to and act on any advice or instructions from the Pensions Regulator in response to the report of any breach.

Action Plan

The Reporter or Responsible Officer will also ensure, where necessary, that an action plan is put in place and acted on to correct the identified breach and ensure further breaches of a similar nature do not reoccur.

The Responsible Officer will work with the Scheme Manager to identify any actions required to ensure there is no reoccurrence of the breach and to provide appropriate advice or training to any person with responsibility for the area of work affected.

The Scheme Manager will be responsible for ensuring that all actions planned are addressed and their successful implementation is evidenced and recorded.

The breach and the action plan shall be reported to the Pensions Committee and/or the Pensions Advisory Board.

Whistleblowing

In rare cases reporting a breach internally or to the Pensions Regulator may involve a duty to whistle blow on the part of an officer of the Fund another person. The duty to report does not override any other duties a person may have, such as confidentiality, whether commercial or personal. Any such duty is not breached by

reporting to the Regulator. Anyone who wishes to remain anonymous when reporting a breach internally can use the [Council's Whistleblowing policy](#) and seek advice or guidance in accordance with that policy. The Administering Authority will ensure it adheres to the requirements of the Employment Rights Act 1996 in protecting an employee making a whistleblowing disclosure to the Regulator as set out in the County Council's Whistleblowing Policy.

The duty to report, however, does not override 'legal privilege', so oral and written communications between the Fund and a professional legal adviser cannot be disclosed if they meet the principles of legal professional privilege. Advice from Legal Services must be obtained if there is any suggestion that legal privilege applies to the information identifying or dealing with the suspected breach.

Reporting and recording arrangements

Breaches will be reported as soon as reasonably practicable.

The Fund will maintain a log of all breaches. This log will be reviewed on an on-going basis to determine any trends in the breaches that might indicate any serious failings or fraudulent behaviour.

Where several persons are aware of a breach or where additional advice is sought to determine the significance of a breach, those persons shall determine who shall be responsible for determining that it should be reported and for making the report. A report may be made collectively by those involved.

Where it is considered that a breach is of such significance that the Regulator is required to intervene as a matter of urgency (for example, serious fraud) the matter should be brought to the attention of the Regulator immediately (e.g. by calling them direct).

Failure to Report

It should be noted that failure to report a significant breach or likely breach will be treated seriously and may lead to action being taken against the Fund managers or any reporter with knowledge of the breach. Action may include civil proceedings leading to a financial penalty.

End

January 2024

Annex A Example scenarios

1. Failure to enter employee into the scheme Scenario

It is discovered that a scheme employer has not entered an eligible employee into the LGPS on joining.

Steps that might be taken

On the face of it a breach will have occurred, as the scheme employer has failed to do something they are required to do under the rule of the LGPS. Before deciding to report to the Pensions Regulator it is necessary to consider why this has happened and the steps that are being taken to either rectify the situation and/or ensure it is not repeated. This will include:

- Assessing whether failure relates to a specific employee or is it something more widespread.
- Remedying this particular situation immediately.
- Understanding if there have been personnel changes at the employer; has this resulted in teething problems during any hand-over?
- If necessary the Fund could provide training to the employer on its responsibilities to ensure there is no repeated failure.

Materiality

When considering if the delay/failure is likely to be of “material significance” you could consider;

- Has the member been denied access to the scheme completely?
- Has the employer failed to respond to the Fund’s enquiries?
- Has the member not been given the opportunity to backdate entry to the scheme and pay arrears?
- Has the employer failed to put in place an immediate plan to remedy any further failures?
- Are more members affected, or is this a one-off?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund’s breaches log.

2. Late payment over of contributions Scenario

A scheme employer is late in paying over employee and employer contributions.

Steps that might be taken

The reasons for the delayed payment could many, so while a breach has clearly occurred it is important to understand the reasons behind the delay. To do this:

- Contact the employer to assess the reason for the delay.
- Investigate what went wrong.
- Ensure steps are put in place so as to avoid a repeat in future months.
- Record the outcome of your investigation.
- Make sure processes are assessed to ensure they pick up any potential fraud.

Materiality

While the reason for the delay in paying over contributions might be entirely innocent, it is also possible something more sinister is at play and could be “materially significant”. Consider;

- Is the employer unwilling or unable to pay? e.g. due to insolvency.
- Is any dishonesty involved on the part of the employer? e.g. using non-payment to ease cash-flow.
- Is the employer seeking to avoid paying contributions?
- Does the employer have inadequate processes in place to recover contributions?
- Have contributions been outstanding for over 90 days since being identified?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund’s breaches log.

3. Late Submission of year-end data Scenario

A scheme employer is late in submitting year-end pay and contribution return in respect of active scheme members.

Steps that might be taken

On the face of it this is a breach, but the employer may not necessarily appreciate the significance. Things you might consider doing include:

- Contacting the employer to assess the reason for the non-submission.
- Investigating with the employer what went wrong.
- Putting in place steps to ensure no repeat.
- Recording your investigations.

Materiality

Is the delay/failure likely to be of “material significance”? Consider;

- Is the employer unwilling or unable to provide the required data? e.g. are its systems adequate.
- Has the employer failed to respond to the Fund’s enquiries?
- Will the delay impact the issue of annual benefit statements?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund’s breaches log.

4. Late issue of annual benefit statements Scenario

The Fund is late/fails to issue annual benefit statements to active and/or deferred scheme members within the statutory time limits.

Steps that might be taken

Failure to issue annual benefit statements or delaying their issue is a clear breach. Before reporting to the Pensions Regulator:

- Assess whether failure relates to a specific employer or wider issues.
- If there have been system or scheme rule changes, determine whether teething problems have contributed to the delay/failure.
- Put in place steps to ensure statements are issued within a reasonable timescale.
- Put in place steps to ensure no repeat.
- Record the investigations.

Materiality

Is the delay/failure likely to be of “material significance”? Consider;

- Is the breach resulting from employer failure to provide year-end data?
- Has the employer failed to respond to the Fund’s enquiries?
- Has there been a failure on the part of the Fund to have a proper plan in place for the ABS project?
- Has the Fund failed to put in place an immediate plan to remedy any delay/failure?
- Will the delay impact on the member’s actual benefits?

If the answer to any of the above is “yes” this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund’s breaches log.

5. Late notification of leaver/retirement details

Scenario

A scheme employer fails to provide the Fund with the necessary leaver/retirement notifications.

Steps that might be taken

On the face of it a breach will have occurred, as the scheme employer has failed to do something they are required to do under the LGPS Regulations. Before deciding to report to the Pensions Regulator it is necessary to consider why this has happened and the steps that are being taken to either rectify the situation and/or ensure it is not repeated.

- Assess whether failure relates to a specific employee or is it something more widespread.
- Remedy this particular situation immediately.
- If there have been personnel changes at the employer, has this resulted in teething problems during any hand-over.
- If necessary the Fund could provide training to the employer on its responsibilities to ensure there is no repeated failure.

Materiality

Is the delay/failure likely to be of "material significance"? Consider;

- Has the employer failed to respond to the Fund's enquiries?
- Has the failure delayed the assessment and notification/payment of retirement benefits?
- Has the scheme member been denied access to investment opportunities due to the failure?
- Has the failure led to financial hardship for the member?
- Has the Fund failed to put in place an immediate plan to remedy any delay/failure?

If the answer to any of the above is "yes" this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund's breaches log.

6. Failure to declare potential conflict

Scenario

A Pension Committee or Pension Board member fails to declare a potential conflict of interest in relation to an issue for discussion or decision, which has later come to light.

Steps that might be taken

It is a requirement to declare conflicts of interest, so a breach will have occurred. Before deciding whether to report to the Pensions Regulator:

- Determine why the conflict of interest was not reported at the outset.
- Consider what impact it had on the eventual discussions or decision.
- Draw attention of all Committee and Board members to the Fund's conflicts of interest policy.
- Consider revisiting the discussion or decision, excluding the individual concerned.
- Remove the individual from the Pension Committee or Pension Board if considered their omission was of such significance as to lead to a loss of confidence in the public office.

Materiality

Is the non-disclosure likely to be of "material significance"? Consider;

- Has the individual used the situation to their advantage?
- Has the individual had their judgement swayed by the apparent conflict of interest?
- Would the removal of the individual from the discussions/decision have altered the eventual outcome?
- Would the non-disclosure in this situation lead to a loss of confidence in the public office?

If the answer to any of the above is "yes" this may imply materiality and may warrant reporting to the Pensions Regulator. In any event the issue should be added to the Fund's breaches log.

Annex B Breaches Template

- Date the breach or likely breach was identified.
- Name of the scheme.
- Name of the employer (where appropriate).
- Any relevant dates.
- A description of the breach, its cause and effect, including the reasons it is, or is not, believed to be of material significance.
- Whether the breach is considered to be red, amber or green.
- A description of the actions taken to rectify the breach.
- Whether the concern has been reported before, and
- A brief description of any longer term implications and actions required to prevent similar types of breaches reoccurring in the future.

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