

Pension Advisory Board

21 November 2018 – 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, Miranda Kadwell, Kim Martin, Becky Caney, Chris Scanes (arrived at 9.40am) and Tim Stretton

Part I

70. Declarations of Interests and Conflicts

70.1 The Chairman welcomed Becky Caney and Miranda Kadwell to their first meeting. The Chairman also welcomed officer Daniel Jadzevics to his first meeting.

70.2 Tim Stretton declared a personal interest as he held personal investments with Baillie Gifford.

70.3 The Chairman reported that he was no longer a trustee of the Scout Association Pension Fund.

70.4 The Chairman reported that the declarations of interest and register of interests forms were in different places on the internet. - *Adam Chisnall resolved to look into this.*

70.5 The Board asked if a summary of register of interests could be added to the agenda. - *Adam Chisnall resolved to look into this.*

71. Part I Minutes of the last meeting

71.1 Resolved – That the part I minutes of the meeting of the Board held on 18 July 2018 be approved as a correct record and signed by the Chairman

72. Progress Report

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

72.2 Adam Chisnall introduced the report and highlighted that the Pensions Regulator Survey results had been sent out to Board members on the 16 November.

72.3 The Board discussed the outstanding actions and agreed to remove the Scheme Advisory Board (SAB) Survey and Audit Training actions from the report. SAB survey results would be picked up within report papers and the audit training would be picked up as part of the training strategy.

72.4 The Board asked for an update on the AVC/SCAVC action. - *Steve Harrison confirmed that this would be picked up as part of the transfer to*

Hampshire County Council. Tara Atkins confirmed that the wording had been amended and would be published when the transfer was complete. Officers felt that there had been no risk to the previous wording.

72.5 The Chairman reported that he had read an article that the Myners Compliance Statement would be changing and resolved to send the article to Steve Harrison.

72.6 Resolved – That the Board noted the report.

73. Pensions Panel Minutes - Part I

73.1 The Board considered the confirmed part I minutes from the 30 April 2018 Pensions Panel meeting; the confirmed part I minutes from the 25 July 2018 Pensions Panel meeting; the confirmed minutes from the 25 July 2018 Annual Meeting of the Pensions Fund; and the Agenda from the 1 November 2018 Pensions Panel meeting (copies appended to the signed minutes).

73.2 The Board requested an update on Guaranteed Minimum Pension. – *Tara Atkins reported that the detail was currently unclear until Her Majesty's Revenue and Customs (HMRC) provided a response which was expected in February.*

73.3 Resolved – That the minutes and agenda be noted.

74. Business Planning and Performance

74.1 The Board considered a report by the Director of Finance, Performance and Procurement which had gone to the 1 November 2018 Pensions Panel meeting; and the training log for the Board (copy appended to the signed minutes).

74.2 The Chairman reported that Kim Martin had now completed the Pension Regulator toolkit modules. Becky Caney and Miranda Kadwell reported that they had started the modules.

74.3 Steve Harrison introduced the report and gave an update on pooling. Link were completing work that would allow the pension fund to consider sub fund investments. Steve Harrison highlighted the training strategy which would align training requirements between the Pension Advisory Board and the Pensions Panel.

74.4 The Chairman noted that there was no business plan for the Board and that the Pensions Panel business plan did not align with the work of the Board. The Chairman resolved to write a business plan for the Board which would link with the business plan for the Panel. The Chairman resolved to bring the business plan to the March meeting.

74.5 The Chairman reiterated his plan for performance review for the Board. 1:1s would be scheduled with the Chairman and the Board members, with an anonymised write up coming to the March meeting. Self-assessment documents may also be utilised which would assist with

training needs. Steve Harrison resolved to speak with his colleagues who were working on self-assessment training reports.

74.6 The Chairman asked if he should meet with the section 151 officer and the Pensions Panel Chairman. – *Steve Harrison commented that these meetings had been referenced in the CIPFA review and resolved to look into the meetings.*

74.7 The Board made comments including those that follow.

- Queried if there should be an induction process for new Board members. – *Steve Harrison proposed looking at the Pensions Panel induction practices and resolved to bring an update to the next meeting. Existing Board members commented that they would welcome this as refresher training.*
- Sought clarity on the length of term appointments for Board members. – *The Chairman resolved to look into appointment terms and what the terms of reference outlined for future terms. Board members were encouraged to inform the Chairman of their interest in remaining on the Board.*

74.8 The Board noted that a training session from Steven Law (Hymans Robertson, the fund actuary) covering various issues relating to the GAD Section 13, cost sharing valuations, GMP and quadrennial valuations would follow the meeting.

74.9 Resolved – That the Board notes the report and the training log.

75. Regulations and Guidance update

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

75.2 The Chairman introduced the report and explained that he wanted members of the Board to be aware of necessary documentation and how to find them. Relevant items would be brought to Board meetings for discussion.

75.3 Resolved – That the report is noted.

76. Review of CIPFA's Guide for Local Pension Boards

76.1 The Board considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

76.2 Steve Harrison introduced the report and explained that the issues within the CIPFA guide had been anticipated and already actioned for the Board, such as an increase in Board membership and an increase in meetings.

76.3 The Chairman reported that there was a lot of guidance for pension boards, some was for compliance and some was for guidance.

76.4 The Board discussed appendix A and noted that the Board regularly monitored the work of the Pensions Panel and had access to part II papers on request.

76.5 The Board made comments including those that follow.

- Discussed involvement with the Pension Panel and that Board member attendance at Panel meetings would be useful. It was proposed to consider a rota for Board members attendance at the Panel meetings. It was also discussed that the Chairman of the Pensions Panel should attend a Board meeting annually. – *Steve Harrison resolved to speak to the Pensions Panel Chairman about the attendance discussion.*
- Discussed section 151 officer and noted that this role would be engaged with as part of an escalation process. The Governance Committee would also be an appropriate route for raising issues. *Steve Harrison resolved to look into the formal processes and send a structure chart to the Board members.*
- Queried the service level agreements for Hampshire County Council. – *Steve Harrison reported that the expectation would be to ask Hampshire to attend Board meetings to report on this.*
- Asked when Terms of Reference were reviewed. – *Adam Chisnall reported that all meetings within the County Council added Terms of Reference to first meeting agendas after an election.*
- Noted the need to monitor the SAB and bring issues to the Board if required. Minutes from the Scheme Advisory Board meeting would be circulated to Board members.
- Commented on the proposal to preview Pensions Panel papers and felt that it was appropriate for the Board to continue monitoring Panel papers after the meeting.
- Discussed pooling and felt that the Board's role was to monitor and check that appropriate plans were in place.

76.6 Resolved – That update and guidance is noted.

77. Review of Pension Fund Policy Documents

77.1 The Board received a report by the Director of Finance (copy appended to the signed minutes).

77.2 The Chairman introduced the item and explained that the aim would be to look at two policy documents each meeting.

77.3 The Board noted the list of policy documents at appendix A and requested that future reports should list the date of implementation of the process as July 2018, and then monitor progress going forwards.

77.4 Steve Harrison introduced the Governance Policy and Compliance Statement and explained that the Governance Committee had ultimate responsibility for the pension fund, which had been delegated to the Pensions Panel.

77.5 The Board made comments including those that follow.

- Asked if the employee representative was a Unison role. – *Steve Harrison reported that the current appointment was a retired person, who the Chairman was satisfied could maintain the role. The appointment had been done through Unison, but was not a Unison role. The Board queried if the role should be a 'Member' representative rather than 'Employee'. Steve Harrison resolved to look into this.*
- Queried the independent advisor for the fund. – *Steve Harrison reported that this was Caroline Burton who's expertise was in investment. Officers assisted with governance arrangements. Steve Harrison resolved to check the guidance for independent governance advice.*
- Asked if there should be more references to the Board, e.g. Board meeting frequency. – *Steve Harrison resolved to look into this.*
- Sought clarity on the terminology 'usual maximum length' of representative members. – *Steve Harrison resolved to look at the constitution wording and report back to the Board members.*
- Commented that the Board membership numbers required updating.

77.6 Tara Atkins introduced the Internal Dispute Resolution Procedure (IDRP) and explained that the administering authority required a separate policy for the pension fund and one for the County Council as an employer. The policy would require a review following the completion of the Hampshire transfer.

77.7 The Board made comments including those that follow.

- Asked if the policy covered members who thought they had been underpaid. – *Tara Atkins explained that this scenario would be covered by other processes in place. This policy would cover ill health payment disputes.*
- Queried the Pension Regulator strategy recommendation to include the Pension Advisory Service (TPAS) within the IDRP. – *Tara Atkins explained that they did not exist anymore and the pensions ombudsmen was referenced.*
- Sought clarity on the information required to raise a complaint. – *Tara Atkins explained that if someone sent in all relevant details, the complaint would be processed in any format. The Board felt the guidance should be clearer on this, in that a specific application form was not required. Tara Atkins resolved to look into this.*

77.8 The Board discussed what policies should be discussed at the next meeting. The Chairman resolved to look at the Annual Report for compliance and circulate a note to the Board members. The Board felt it would be appropriate to look at particular policy documents after the transfer was complete. The Chairman resolved to liaise with officers on the policies to be discussed at the next meeting.

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

78. Administration procedures and performance

78.1 The Board received a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

78.2 Tara Atkins introduced the report and highlighted the scheme return work and officers' aim to improve the quality of data.

78.3 The Board made comments including those that follow.

- Queried if late contributions were a concern. – *Tara Atkins reported that no particular employer was a concern; however there were employers who routinely paid a day late.*
- Sought clarity on the time taken to complete open cases. – *Tara Atkins reported that officers were continuing to work with Capita ahead of the transfer to resolve outstanding cases.*
- Asked if the relationship with Capita was still working. – *Steve Harrison reported that Capita had seen some staffing changes and that a meeting was due to take place to discuss wider staff resources.*
- Queried the administration performance. – *Tara Atkins reported that backlog work was still being completed which had an impact on the figures. Hampshire aimed for 100% completion rate, but did have longer key performance timescales. Hampshire worked closely with employers to assist with any issues with processes. Steve Harrison confirmed that Hampshire went live on 4 March and that any issues with data would be carefully monitored.*
- Asked who was responsible for the next set of Annual Benefit Statements. – *Tara Atkins confirmed this would be Hampshire.*
- Queried the issues with P60 processes. – *Tara Atkins resolved to send an update to the Board.*
- Questioned the take up on 50/50 contributions. – *Tara Atkins confirmed that there had not been a large take up on this. Hampshire would be able to better report on this.*

78.4 Resolved – That the Board notes the report.

79. Date of Next Meeting

79.1 The Board noted that its next scheduled meeting would take place on Wednesday 6 March 2018 at 9.30 a.m. at County hall, Chichester.

79.2 The Board also noted the dates for 2019/20.

80. Exclusion of Press and Public

Resolved – That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

81. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 18 July 2018 meeting.

82. Pension Administration Update

The Board considered a report by the Director of Finance, Performance and Procurement which had gone to the 1 November 2018 Pensions Panel meeting.

The report gave details on the pension administration transfer to Hampshire County Council.

The Board noted the update.

83. Pensions Panel Minutes – Part II

The Board noted the contents of Part II minutes from the 30 April 2018 and 25 July 2018 Pensions Panel meetings.

The meeting ended at 12.07 pm

Chairman