

Public Document Pack

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13 November 2018

Pension Advisory Board

A meeting of the committee will be held at **9.30 am** on **Wednesday, 21 November 2018** 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 - 12)

The Board is asked to agree the Part I minutes of the meeting of the Board held on 18 July 2018 (cream paper).

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. Progress Report (Pages 13 - 16)

This report contains updates on matters arising from previous meetings.

The Board is asked to note the report and the progress on actions.

6. **Pensions Panel Minutes - Part I**

The Board is asked to note the confirmed part I minutes from the 30 April and 25 July Pensions Panel meetings; the minutes from the 25 July Annual Meeting of the Pension Fund; and the Agenda from the 1 November Pensions Panel meeting.

- (a) **30 April - Part I Pensions Panel Minutes** (Pages 17 - 22)
- (b) **25 July - Part I Pensions Panel Minutes** (Pages 23 - 28)
- (c) **25 July - Annual Meeting of the Pension Fund Minutes** (Pages 29 - 32)
- (d) **1 November - Pensions Panel Agenda** (Pages 33 - 36)

7. **Business Planning and Performance**

The Board is asked to note the following documents linked to Business Planning and Performance.

- (a) **Pensions Panel Business Plan** (Pages 37 - 56)

The Board is asked to consider the Business Plan report by the Director of Finance, Performance and Procurement that was discussed at the 1 November Pensions Panel.

The Board is asked to note the progress made on the Fund Business Plan and consider the Training Strategy.

- (b) **Training Log** (Pages 57 - 60)

The Board is asked to review the training log and provide details of their progress on the Pensions Regulator Toolkit.

8. **Regulations and Guidance update** (Pages 61 - 66)

Report by the Chairman of the Pension Advisory Board.

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

9. **Review of CIPFA's Guide for Local Pension Boards** (Pages 67 - 132)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note the update and consider the Guidance.

10. **Review of Pension Fund Policy Documents** (Pages 133 - 158)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note the register of policy documents and give feedback on the policies presented at the meeting.

11. **Administration procedures and performance** (Pages 159 - 190)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note the report and confirm any further information that they require.

12. **Date of Next Meeting**

The next meeting of the Board will be held at 9.30 am on 6 March 2019.

The Pension Advisory Board Dates for 2019/20 are listed as below:

22 May 2019
4 September 2019
20 November 2019
26 February 2020

Part II

13. **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).

14. **Part II Minutes of the last meeting** (Pages 191 - 192)

The Board is asked to agree the Part II minutes of the meeting of the Board held on 18 July 2018 (yellow paper).

15. **Pension Administration Update** (Pages 193 - 198)

The Board is asked to note the report by the Director of Finance, Performance and procurement on Pension Administration that was considered at the 1 November Pensions Panel (yellow paper).

16. **Pensions Panel Minutes – Part II**

The Board is asked to note the confirmed Part II minutes from the 30 April and 25 July Pensions Panel meetings (yellow paper).

(a) **30 April - Part II Pensions Panel Minutes** (Pages 199 - 204)

(b) **25 July - Part II Pensions Panel Minutes** (Pages 205 - 208)

To all members of the Pension Advisory Board

Pension Advisory Board

18 July 2018 – At a meeting of the Board held at 9.30 am at County Hall, Chichester, PO19 1RQ.

Present: Peter Scales (Independent Chairman)

Richard Cohen (Employer representative) and Chris Scanes (Scheme member representative)

Apologies were received from Kim Martin (Employer representative) and Tim Stretton (Scheme member representative)

Officers: Steve Harrison (Financial Planning Manager), Tara Atkins (Principal Pensions Consultant - Administration & Employers), Vickie Hampshire (Finance Manager - Pension Fund Governance) and Adam Chisnall (Democratic Services Officer).

Part I

54. Apologies

54.1 In noting the apologies that had been received, the Board were informed of the personal circumstances for Kim Martin's absence.

55. Declarations of Interests and Conflicts

55.1 None declared.

55.2 Richard Cohen informed the Board that due to a recent merger his role at Worthing High School had changed and he was now the Vice Chair of Trustees at South Downs Education Trust. – *Adam Chisnall resolved to ensure this change was reflected in the necessary areas.*

56. Part I Minutes of the last meeting

56.1 Resolved – That the minutes of the meeting of the Board held on 20 April 2018 be agreed as a correct record.

57. Progress Report

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

57.2 Adam Chisnall introduced the report and updated the progress being made with the changes to the Pension Advisory Board Membership. The Governance Committee had endorsed the changes for recommendation at the County Council meeting on 20 July 2018.

57.3 The Chairman requested that survey results should be circulated as soon as they were available. Reports on the surveys should then follow at the next available meeting.

57.4 Resolved – That the report is noted.

58. Pensions Panel Minutes - Part I

58.1 The Board considered the confirmed part I minutes from the 2 February 2018 Pensions Panel meeting; and the Agenda from the 30 April 2018 Pensions Panel meeting (copy appended to the signed minutes).

58.2 The Board noted that the Agenda for the 25 July Pensions Panel had recently been published.

58.3 Resolved – That the minutes and agenda be noted.

59. Business Planning and Performance

59.1 The Chairman introduced the item and explained that this followed the discussion at the previous Board meeting on the Review of West Sussex Pension Advisory Board.

59.2 The Board discussed the new frequency of meetings and how soon they should follow Pensions Panel meetings. The Board thought that 20 days would be a good time for a Board meeting to follow a Panel meeting and that this could be tested with the next meeting on 21 November following the Panel meeting on 1 November.

59.3 The Chairman informed the Board that he would be working with Steve Harrison to produce a business plan consistent with the Panel's and it was agreed that this would have a 2 year rolling programme. It was also agreed that where relevant, the Board should receive the same reports as the Panel to avoid undue duplication.

59.4 The Chairman informed the Board that the Scheme Advisory Board had 3 major projects in their business plan; Separation of pension administration responsibility; Data cleansing guidance; Regulation review to reduce detailed regulations by incorporating them into guidance.

59.5 Steve Harrison commented on these projects and explained that various degrees of separation had been identified for pension administration. Steve Harrison had attended a conference on the importance of data cleansing where it was discussed that Oxfordshire County Council had been fined for poor data. The Pensions Regulator wanted all data, despite its age, to be up to date and correct.

59.6 The Chairman informed the board that he was looking to set up 1:1 performance reviews with the Board members to be held over the autumn period.

59.7 The Board queried the recruitment plans for the new Board members. – Steve Harrison explained that the process could begin following County Council approval. It was likely that the process would begin in September. It was proposed that the AGM and employer/member newsletters could be used to advertise the roles. The recruitment process would look to seek membership from desirable areas in order to assist with the diversity of the Board. It was hoped that the new members could be appointed in time for the next meeting. Steve

Harrison resolved to look into the possibility of involving current Board members in the recruitment process.

60. Regulations and Guidance update

60.1 The Chairman introduced the item and reported on the recent Local Government Association bulletins. The Chairman resolved to send these to the Board members with a brief summary, and ask officers to provide a report on any relevant items at a future meeting.

60.2 The Chairman also reported that CIPFA had published guidance for local pension boards. Tara Atkins highlighted that the guidance was referred to as a background paper within the Administration Procedures and Performance report and agreed to ensure that a copy was made available to Board Members.

61. Review of Pension Fund Policy Documents

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

61.2 Steve Harrison introduced the report and highlighted the list of policy documents to be reviewed individually on a regular basis at future meetings. It was proposed that if any were a priority they could be highlighted for early review. The Chairman commented that it was important for the Board to be aware of the policies and what they generally covered, and to check compliance. It was requested that the table included an indication of where documents were published or could be obtained and a column for dates for when each policy had been reviewed by the Board.

61.3 The Board made comments including those that follow. It:

- Raised concerns on the past review date for the Employers Guide. – *Tara Atkins explained that this review was stalled following a change in administration regulations. Once the policy had been updated it would be passed to Eversheds and Hymans Robertson for review.*
- Queried the absence of the 'Myners Compliance Statement. – *Tara Atkins reported that this had been removed following a change in the investment regulations. Steve Harrison resolved to check that this was no longer a statutory requirement.*
- Asked why the administration strategy statement was not in the 2017-18 report. – *Tara Atkins reported that this was linked to the change in pension administration. Steve Harrison confirmed that this would be reinstated after the administration handover was completed and the strategy had been revised. The Board would look to review the strategy statement when it was complete.*
- Requested that the Board be notified if policies are removed from publication for any reason.
- Discussed which policies should be highlighted for the next Board meeting. It was proposed to focus on 'Governance Policy and Compliance Statement' and 'Internal Dispute Resolution Procedure (IDRP)'.

61.4 The Board considered the Administering Authority Discretions policy.

61.5 The Board made comments including those that follow. It:

- Queried why the document did not refer to the Pensions Panel. – *Tara Atkins explained that the Pensions Panel report would have outlined how the scheme of delegation would handle discretions.*
- Sought clarity on the inconsistency in officer titles and roles in the document. – *Tara Atkins explained that this was an outstanding action to update the document. It was clarified that 'Chief Finance Officer' did not refer to a specific role.*
- Asked who was covered by the abatement policy. – *Tara Atkins confirmed that this should be updated to cover all bodies that were entitled to admission.*
- Queried the wording used for AVC/SCAVC monies in the event of death, and if the wording should be changed to 'is likely to be made' to allow the authority to exercise the necessary discretion due to HMRC regulations with regard to estates. – *Tara Atkins reported that this was part of the discretion policy and used similar wording for other discretionary payments. Steve Harrison resolved to look into this.*
- Sought clarity on processes in place for those incapable of managing their affairs, and if the payment should reference the necessary bodies. – *Tara Atkins confirmed that normal practice would follow the power of attorney and that officers would always comply with the legal process. Tara Atkins resolved to review the current wording.*

61.6 The Board considered the Privacy Notice policy and queried the data that came to Pensions Panel and the Pension Advisory Board. – *Tara Atkins confirmed that this data would be anonymised. Delegations would be made to officers for individual cases.*

61.7 Resolved - That the Board notes the register of policy documents and compliance of the two documents, and asks officers to consider the feedback received.

62. Administration Procedures and Performance

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

62.2 Steve Harrison introduced the report and explained that work was progressing with the move of pension administration to Hampshire County Council. Officers were currently looking into the task of migrating data.

62.3 The Board requested additional detail on the current status of the contract migration. – *Steve Harrison explained that this would contain exempt information and agreed to provide an update within the Part II section of the agenda.*

62.4 The Board made comments including those that follow. It:

- Queried pension member engagement for amendment regulations. – *Tara Atkins explained that the intention would be to utilise the newsletters to explain how members would be impacted. The information would include transfer dates and contact information.*
- Queried the caseload performance information and how regularly the top ten cases were reported to the Pensions Panel. – *Steve Harrison explained that KPIs drove the contract and so key issues were reported to the Pensions Panel. Non KPI issues were not regularly reported. Tara Atkins explained that specific issues were covered within the Annual Report. New KPIs could be considered when Hampshire County Council took over the administration and it was suggested that the proposed list of new KPIs could come to a Board meeting.*
- Sought clarity on the low performance during April and May and if this was linked to the contract decision. – *Steve Harrison gave assurance that Capita would have to ensure compliance while they provided the administration service. Tara Atkins explained that April and May had been linked to an unanticipated demand of work linked to Police transfers.*
- Discussed the complaints/compliments analysis and asked how it correlated with KPIs. – *Tara Atkins explained that the figures related to members' opinions on service and so each case was individually considered to see if the complaints were justifiable. If consistent issues arose they were discussed with Capita to look at processes.*
- Noted the comments in the satisfaction survey and speculated that the low response rate could be interpreted as people being generally happy with the service and having nothing to raise on the survey.

62.5 Resolved – That the report is noted.

63. ACCESS Work Update

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

63.2 Steve Harrison introduced the report and explained that since 1 April 2018 the ACCESS group had been running as a legal entity. Link had been appointed as the investment vehicle for the group. Essex were leading on the work to determine the investment buckets which would consider the investment priorities from each fund. It was confirmed that Link would appoint fund managers. Northern Trust would monitor Link to ensure it was compliant with regard to Authorised Contractual Scheme and Depository activities.

63.3 Vickie Hampshire explained that the ACCESS group had 9 principles and that no major activities would happen based on the wishes of one fund. Phil Triggs (Tri-Borough Director of Treasury and Pensions) had written a document outlining the different pooling structures that had been created. Vickie Hampshire resolved to send this, and the structure of the ACCESS pool to Board members.

63.4 It was explained that the role of the Pensions Panel would move to a strategic role to consider the specific needs of each investment.

63.5 The Board discussed the request for union representation on joint committees. It was reported that different Boards had different opinions on this.

63.6 The Board proposed having attendance from a pooling representative at a Board meeting. – *Vickie Hampshire felt it would not be appropriate for another ACCESS fund to attend a Board meeting, but proposed that someone from Hymans Robertson could attend. The Board agreed to consider this further down the line.*

63.7 The Board requested that an update on pooling came to every Board meeting. – *Vickie Hampshire explained that quarterly reports were submitted to Teresa Clay, Head of local government pensions at the ministry of housing (MHCLG) and subsequently uploaded to the ACCESS webpage. Vickie Hampshire resolved to share a link to the webpage with Board members.*

63.8 Resolved – That the Board welcomes the update.

64. Training

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

64.2 Steve Harrison introduced the report and outlined the work that was in progress to align the training needs of the Pension Advisory Board and the Pensions Panel members. The high expectations that Pensions Regulator had on training were highlighted to the Board members.

64.3 The Board discussed training opportunities that had been circulated by officers and noted that the Fundamentals training was good for focus on administration.

64.4 The Board proposed training for the new administration with a focus on KPIs and benchmarks. – *Steve Harrison reported that Hampshire County Council would be attending meetings regularly when they were in post, and that they could deliver training on this.*

64.5 Steve Harrison proposed attendance from Hymans Robertson to discuss valuation.

64.6 The Board proposed a combined training session on the Pensions Regulator toolkit when the new Board members were appointed.

64.7 The Board proposed attendance from the Pensions Regulator at a future meeting.

64.8 The Board were informed that the meeting would be followed by a training session on the risk framework.

64.9 Resolved – that the Board note the knowledge and understanding requirements, and the ongoing work of officers.

65. Date of Next Meeting

65.1 The Board noted that its next scheduled meeting would take place on Wednesday 21 November 2018 at 9.30 a.m. at County hall, Chichester.

66. Exclusion of Press and Public

66.1 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.

67. Pension Administration Update

The Board received an update on the current situation with pension administration.

The Board welcomed the update.

68. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 20 April 2018 meeting.

69. Pensions Panel Minutes – Part II

The Board noted the contents of Part II minutes from the 2 February Pensions Panel meeting

The meeting ended at 12.18 pm

Chairman

Pension Advisory Board

21 November 2018

Progress Report

| Date received / Minute No: | Subject: | Matters Arising | Officer Contact: |
|--|---|---------------------------|-------------------------|
| 05/07/17 Minute No. 27 | Scheme Advisory Board Survey | Survey results | Peter Scales |
| November Update | The results of the survey to be discussed at a Board meeting when they are available. In Progress | | |
| 05/07/17 Minute No. 33 | Training | Audit Training | Adam Chisnall |
| November Update | Audit training to be scheduled at an appropriate time for the Board. In Progress | | |
| 29/11/17 Minute No. 52 | Pensions Regulator Survey | Request for results | Tara Atkins |
| November Update | The board requested to see the results of the Pensions Regulator Survey results when they were available. In Progress | | |
| 29/11/17 Minute No. 64 Bullet 6 | Complaints data and trends | Request for information. | Tara Atkins |
| November Update | The Board requested to see data relating to complaints and their trends. Complete – included within Administration report | | |
| 29/11/17 Minute No. 71 | Accuracy of contributions | Investigation into issue. | Vickie Hampshire |
| November Update | Vickie Hampshire resolved to investigate the potential legal requirement for funds to check the accuracy of contributions. Complete – details below There is a statutory requirement to check the employer is paying the amount certified by the Actuary in the Rates and Adjustment Certificate at the valuation which is done each month through the contributions reconciliation There is not a statutory duty to check the employer is deducting the correct member contributions however a sense check is performed each month to ensure that they do not vary too much. | | |

| Date received / Minute No: | Subject: | Matters Arising | Officer Contact: |
|-------------------------------------|--|---|-------------------------|
| 20/04/18 Minute No. 28 | Changes to the Pension Advisory Board | Action to change the Board's Terms of Reference | Adam Chisnall |
| November Update | <p>The Governance Committee considered a report for the Pension Advisory Board at the 25 June 2018 meeting. The report included a recommendation to increase the number of members and frequency of meetings following the discussion at the previous Board meeting.</p> <p>The Governance Committee resolved that the proposed increase to the number of members and the number of meetings of the Board be approved and delegation given to make these changes to the Pension Advisory Board terms of reference be endorsed for recommendation to the County Council.</p> <p style="text-align: right;">Complete Becky Caney and Miranda Kadwell appointed in October.</p> | | |
| 20/04/18 Minute No. 45 | Future Training | Risk Management | Adam Chisnall |
| | <p>The Board requested that a risk management training session should follow the July meeting.</p> <p style="text-align: right;">Complete Training was held after the July meeting which included a review of the Risk Register.</p> | | |
| 18/07/18 Minute No. 60.2 | CIPFA guidance for local pension boards | Request for information. | Tara Atkins |
| November Update | <p>Tara Atkins agreed to ensure that a copy of the guidance was made available to Board Members.</p> <p style="text-align: right;">Complete Paper to be discussed at 21 November meeting</p> | | |
| 18/07/18 Minute No. 61.2 | Policy Documents | Request for information | Steve Harrison |
| November Update | <p>The Board requested information on where policy documents were available and details on when each policy had been reviewed by the Board should be added to future reports.</p> <p style="text-align: right;">Complete Paper to be discussed at 21 November meeting</p> | | |

| Date received / Minute No: | Subject: | Matters Arising | Officer Contact: |
|-----------------------------------|--|--|-------------------------|
| 18/07/18 Minute No. 61.3 | Myners Compliance Statement | Change in regulations. | Steve Harrison |
| November Update | <p>Steve Harrison resolved to check that this was no longer a statutory requirement.</p> <p style="text-align: right;">Complete – details below</p> <p style="text-align: center;">The new regulations have removed the requirement for administering authorities to state the extent to which they comply with the 'Myners principles' on investment decision making. Authorities will still need to have regard to these principles but will no longer need to report against them.</p> | | |
| 18/07/18 Minute No. 61.3 | Policy Documents | Agenda planning | Steve Harrison |
| November Update | <p>The Board requested that 'Governance Policy and Compliance Statement' and 'Internal Dispute Resolution Procedure (IDRP)' be considered at the next meeting.</p> <p style="text-align: right;">Complete</p> <p style="text-align: right;">Paper to be discussed at 21 November meeting</p> | | |
| 18/07/18 Minute No. 61.5 | AVC/SCAVC monies | Actions in the event of death clarity. | Steve Harrison |
| November Update | <p>Steve Harrison resolved to look into the wording for this.</p> <p style="text-align: right;">In Progress</p> | | |
| 18/07/18 Minute No. 61.5 | Administering Authority Discretions | Clarity on process | Tara Atkins |
| November Update | <p>Tara Atkins resolved to review the current wording.</p> <p style="text-align: right;">Complete</p> <p style="text-align: right;">Wording is currently under review</p> | | |
| 18/07/18 Minute No. 62.4 | Key Performance Indicators | Request for information | Steve Harrison |
| November Update | <p>The Board requested that the proposed list of new KPIs for Hampshire County Council could come to a Board meeting.</p> <p style="text-align: right;">In Progress</p> | | |
| 18/07/18 Minute No. 63.3 | ACCESS | Request for information | Vickie Hampshire |
| November Update | <p>Vickie Hampshire resolved to send the Board a copy of the Phil Triggs pooling structures document and the structure of the ACCESS pool.</p> <p style="text-align: right;">Complete</p> <p style="text-align: right;">Sent to members on 30 October 2018</p> | | |

| Date received / Minute No: | Subject: | Matters Arising | Officer Contact: |
|---|--|-----------------------------|-------------------------|
| 18/07/18 Minute No. 63.7 | ACCESS | Request for regular updates | Vickie Hampshire |
| November Update | Vickie Hampshire resolved to send Board members a link to the ACCESS webpage to see the quarterly reports. <div style="text-align: right;">Complete Sent to members on 30 October 2018</div> | | |

Pensions Panel

30 April 2018 – At a meeting of the Pensions Panel held at 10.00 a.m. at County Hall, Chichester

Mr Bradford
Mr Elkins
Ms Taylor*

Mrs Dennis
Mr Hunt (Chairman)
Mrs Urquhart

Mr Donnelly
Mr Jupp

Apologies for absence were from Dr Walsh.

* Ms Taylor arrived at 10.57 a.m.

In attendance by invitation:

Caroline Burton (Independent Adviser);
Steven Law (Hymans Robertson);
Malcolm Gordon, Jonathan Davies and Scott Wilkin (UBS);
Rob Barr, Alex Scott and Richard Sem (Pantheon)

Officers Present:

Katharine Eberhart,
Director of Finance
Performance and
Procurement

Steve Harrison,
Financial Planning
Manager

Rachel Wood,
Pension Fund Strategist

Adam Chisnall,
Democratic Services
Officer

Part I

Declaration of Interests

1. Mr Donnelly declared a personal interest as he held shares with Standard Life and Baillie Gifford.
2. Rachel Wood declared a personal interest in relation to the ACCESS Pooling Update item as her husband works as a Principal Pensions Officer at East Sussex County Council.

Part I Minutes of the Pensions Panel held on 2 February 2018

3. The Panel proposed three amendments to the minutes; changing 'stabilizing' to 'stabilize' in minute 150; changing 'accrual' to 'target' in minute 151; and '2017' to '2018' in minute 162.
4. Resolved – that the Part I minutes of the Pensions Panel held on 2 February 2018, amended as above, be approved as a correct record, and that they be signed by the Chairman.

Business Plan (2018/19)

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

6. Steve Harrison introduced the report and explained that it showed the full plan at the start of the financial year. The Panel would receive updates on progress throughout the year.

7. It was reported that the Pension Advisory Board would be increasing its frequency of meetings to four per year to align with the Pensions Panel, and would be increasing in size from four to six Board Members – plus the Independent Chairman.

8. The Panel made comments including those that follow.

- Queried whether reaching the 95% funding level trigger should be reported in the Investment and Funding section. – *Steve Harrison thought that the 95% level had been in the previous year, but resolved to investigate.*
- Asked if there was a set budget for training. – *Steve Harrison explained there was no set budget, but work was underway to consider joint training with the Pension Advisory Board to improve value for money.*
- Sought clarity on the level of training required for Panel members and commented that the training log should show training that had been previously completed. – *Steve Harrison reported that a training programme was being developed which would map training and also align with the Pension Advisory Board. The proposal to report previous training would also be taken forwards.*
- Mr Donnelly reported that his attendance at the Baillie Gifford: Global Alpha Investor Forum had not been included in the report.
- Sought clarity on the frequency of AVC reviews. – *Rachel Wood explained that the timeframe was set informally. The review would look to enhance the offerings for members.*
- Noted the £3.8bn total investment asset figure and asked what this had been one year previously. – *Rachel Wood reported that it should be updated to £4.1bn. Steve Harrison resolved to provide the previous figures on future reports. The Panel also felt it would be useful to see income figures.*
- Queried the lack of the cost of pooling on the budget. – *Rachel Wood reported that ACCESS had recently considered the budget and that this could be added to future reports. The Panel requested detail on spend to date.*
- Queried the risk impact for admitted bodies not meeting pension obligations. – *Steven Law confirmed that academies had an automatic right to join the Local Government Pension Scheme (LGPS) and had a Department of Education guarantee for pension obligations. Admitted bodies received a risk assessment when they joined the LGPS and would be considered as part of the fund valuation process. Bodies that had a higher risk would have different approaches for mitigation.*
- Commented on the performance action for social investment and that it should include the consideration that had been given to fossil fuel investments.

9. The Chairman requested that the Risk Register came back to a future meeting for consideration.

10. Resolved - That the Panel notes the updates to the 2017/18 Business Plan and agrees to the proposed activities for the 2018/19 financial year.

Investment Strategy Review

11. Steven Law gave an update presentation to the Panel on the Investment Strategy Review (copy appended to the signed minutes).

12. The presentation outlined options for balanced management and how the fund would consider equity and bond allocations within pooling. The fund could retain its current mandates (albeit within the pool); retain the balanced managers, but move a portion of their bonds to another specialist manager; or remove the balanced mandates and adopt a new approach with separate mandates/managers for equities and bonds.

13. The Panel made comments including those that follow.

- Queried how well bonds were performing. – *Caroline Burton reported that there had been a good relative return, however there could be more options with bonds with other fund managers. Caroline Burton felt that equity management should remain and that the movement of bonds could help with risk and diversity. Higher returns would not necessarily be expected from this.*
- Commented that the high funding level demonstrated that performance was high and that allocations should remain the same. – *Steven Law commented that 40% was now held in bonds and that expectations needed to change with regard to relative performance to other Funds and in respect of absolute returns.*
- Sought clarity on how the two fund managers split control of the fund. – *Steven Law explained that 85% of the fund was invested with two fund managers. This was high and the Panel had previously raised concerns on concentration risks. Caroline Burton added that funds with higher diversities were not performing as well.*
- Felt that allocations needed considering in light of pooling arrangements and proposed maintaining equity holdings and giving consideration to future bond arrangements.
- Asked if it was possible to move the balanced mandate over to pooling. – *Rachel Wood explained that it would be possible to maintain a balanced mandate in the pooling structure, however this would come with additional fees and so value for money would have to be considered. As the balanced mandate would be only for the West Sussex LGPS, there would be no scale efficiencies with other funds in the pool investing in the sub-fund. Steven Law added that Link, as the appointed Operator for the fund, would negotiate fees on the fund's behalf. Caroline Burton proposed waiting on this decision until there were more options to consider within the pool.*
- Queried if the level of fees required to move the mandate could be used to demonstrate evidence to the government as grounds for keeping the mandate outside of the pool. – *Rachel Wood proposed that it would be unlikely that they would allowed to remain outside of the pool permanently.*
- Discussed retaining the same fund managers. – *Steven Law reported that UBS had recently struggled against a strong headwind, and Baillie Gifford has seen the benefit of the tail wind. Long term conviction with these fund managers had paid off for the fund.*

- Queried the use of passive investments. – *Caroline Burton confirmed that the fund did not generally consider the use of passive investments and added that she would be surprised if passive gilt options would be proposed for pooling. Rachel Wood resolved to look at the detail on this.*
- Noted Baillie Gifford's added value through asset allocation since inception was c.0.2% and asked for the same figure for UBS. – *Rachel Wood explained that officers were working on this as UBS used a different approach to tactical allocation. The answer would be provided to the Panel in the future.*
- Noted that LAPF Investments showed the West Sussex LGPS was ranked third.

14. Steven Law concluded that there was a lot of outstanding work to do with Link and the fund had to consider the impact of the sub fund, transition costs, and how Link would report these to the Panel.

15. The Chairman felt that at this time the Panel was happy to maintain a status quo and utilise the time to consider the market and opportunities available via the ACCESS Pool.

16. Resolved - That the Panel welcomed the presentation.

Update on work with ACCESS Pool

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

18. Rachel Wood introduced the report and confirmed that Link had been appointed as the Operator and that the application for the first sub fund would be sent to the Financial Conduct Authority for approval in May.

19. The Chairman thanked Rachel Wood, Vickie Hampshire and all the officers involved for their work on pooling.

20. The Panel sought detail on the impact of not participating in the last tranche. – *Rachel Wood explained that the negative of the last tranche was that the Fund would not be able to use its asset value as leverage discussion on the sub-funds offered. However, it would still have the opportunity to actively participate in the discussion.*

21. Resolved - That the report be noted.

Date of Next Meeting

22. The Panel noted that its next scheduled meeting will take place on 25 July 2018 at 10.00 a.m. at County Hall, Chichester. The Panel also noted that the Annual Meeting of the Pension Fund would take place on the afternoon of 25 July 2018 at County Hall, Chichester.

Exclusion of Press and Public

23. 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.

The meeting ended at 3.11 p.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public on 30 April 2018

Part II Minutes of the Pensions Panel held on 2 February 2018

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Panel agreed the Part II minutes of the Pensions Panel held on 2 February 2018.

Pension Administration

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Panel noted the report.

Adviser Review

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Panel received an update from Caroline Burton, Independent Adviser, relating to the quarterly reports from the fund managers. The Panel welcomed the advice.

Presentation by UBS.

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Panel received an update from Malcolm Gordon, Jonathan Davies and Scott Wilkin from UBS on the portfolio performance for the quarter.

Presentation by Pantheon

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Panel received an update from Rob Barr, Alex Scott and Richard Sem from Pantheon on the portfolio performance.

Pensions Panel

25 July 2018 – At a meeting of the Pensions Panel held at 10.00 am at County Hall, Chichester.

Present: Mr Hunt (Chairman)

Mr Bradford, Mrs Dennis, Mr Elkins, Mr Jupp, Mrs Urquhart, Dr Walsh, Mr Donnelly and Ms Taylor

Part I

58. Declarations of Interests

58.1 Mr Hunt declared a personal interest as the Chairman of Chichester Harbour Conservancy.

59.1 Mr Donnelly declared a personal interest as a substitute member of the Sussex Police and Crime Panel.

59. Part I Minutes of the last meeting

59.1 The Panel queried the progress on joint training arrangements with the Pension Advisory Board. – *Steve Harrison reported that the arrangements were being worked on by officers and would be discussed at the following Panel meeting.*

59.2 Resolved - that the Part I minutes of the Pensions Panel held on 30 April 2018 be approved as a correct record, and that they be signed by the Chairman.

60. Investment Strategy Statement

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

60.2 Rachel Wood introduced the report and highlighted the draft Investment Strategy Statement appendix which included an annex on investment beliefs. The strategy also included Growth, Income and Protection (GrIP) framework.

60.3 The Panel queried when Partners Group would be attending a meeting. – *Mr Hunt explained that this would be happening in November. Due to the AGM meeting in the afternoon, there was not enough time on the current agenda.*

60.4 The Panel asked what level the fund was at. – *Steven Law confirmed that the funding level was in the 110% region.*

60.5 in respect of voting guidelines, the Panel queried incentive packages and if a limit should be considered. – *Mr Hunt felt that the Panel should stand by the Fund Managers conviction on corporate governance as issues including levels of remuneration could impact on the return from*

investments. The Panel queried if 'proportional' could be used within the guidelines rather than 'viable' for incentive arrangements. Mr Hunt explained that these were guidelines and should not be too prescriptive.

60.6 The Panel queried the wording in the statement relating to private equity allocation. – *Steve Harrison explained that the wording was consistent with the current approach and that the Fund had not made any recent or further commitments to the asset class. The Panel proposed adding 'currently' to the strategy to clarify the position; 'Private Equity: The Fund's allocation to private equity is currently being wound down and therefore not currently within the strategic allocation.'*

60.7 Resolved – That the Panel agrees the Investment Strategy Statement subject to the amendment in minute 60.6.

61. Pension Administration Update

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

61.2 Steve Harrison introduced the report which provided an update on pension administration since the last panel meeting. A report had gone to the Performance and Finance Select Committee which recommended a change in pension administration provider. This was followed by a decision by the Cabinet Member for Finance and Resources to move the provision to Hampshire County Council.

61.3 Officers were looking into the major task to move all the records over to Hampshire County Council. Progress on the project would be reported back to the Panel.

61.4 The Committee made comments including those that follow.

- Raised concerns on Capita's performance commitment until the end of the contract. – *Steve Harrison explained that officers would be working with Capita to ensure performance was maintained. The terms of Capita's contract remained until the provision was moved to Hampshire County Council. Mr Hunt agreed to discuss the terms of the contract with Katharine Eberhart.*
- Queried the volatility of performance figures between months. – *Mr Hunt explained that police transfer work had had a large impact for Capita. Rachel Wood confirmed that the police transfer was now complete.*
- Questioned the communication plan for informing fund members. – *Steve Harrison confirmed that a communication plan was included within the project scope.*
- Sought reassurance on the migration for records and the contingencies that were in place. – *Steve Harrison reported that there was regular weekly contact with the administration manager and senior partner on this process. Some identified issues with IT had already been resolved. Once a clear plan had been agreed with Hampshire County Council the process for the transfer would be mapped out. Additional resources could be utilised for this if*

required. Mr Hunt agreed to bring a high level update to the next meeting.

61.5 Resolved – that the update be noted.

62. Annual Report and Accounts

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

62.2 Steve Harrison introduced the report and highlighted the significant growth of members to the fund which had been driven by academisation.

62.3 The Regulation, Audit and Accounts Committee had recently considered the Pension Fund accounts. Ernst and Young, the external auditor, had made minor comments during their audit which officers had taken on board.

62.4 The Committee made comments including those that follow.

- Highlighted some inaccuracies with the training log and the lack of detailed recognition for previous training. – *Steve Harrison resolved to correct any inaccuracies within the annual report for training attendance and improve the section for previous training.*
- Queried why the Pension Advisory Board attendance was only looking at two meetings. – *Rachel Wood explained that the March meeting had moved to April due to poor weather conditions. The total was looking at the meetings that had taken place within the 2017/18 municipal period.*
- Asked why the estimate cost for Administration and Management Costs were very different to the actual cost. – *Rachel Wood explained that the actual figure included Baillie Gifford's performance fee. Steve Harrison resolved to confirm this.*
- Felt that the section for Caroline Burton should include background information to assist external readers in understanding Caroline's role.
- Queried the figures for stock lending. – *Rachel Wood confirmed that of the £200,000 income, £45,000 was fees which meant £155,000 was the net figure. Steve Harrison confirmed that the accounts included the correct figure and that the annual report would be updated accordingly.*
- Praised the annual performance and congratulated the officers, actuary and fund managers.

62.5 Resolved – That the Panel:

- (1) Agrees the Annual Report, subject to the discussed amendments.
- (2) Notes the Statement of Accounts appended to the Annual Report.
- (3) Notes the items raised by the external auditors.

63. Actuarial Update

63.1 Steven Law gave a presentation to the Panel (copy appended to the signed minutes).

63.2 Steven Law outlined the change in legislation for exit credits. Previously, any surplus following cessation would remain within the fund. Following May, any surplus will be returned to the employer.

63.3 Legislation changes also meant the actuary had to perform exit calculations as soon as the last active member left an employer to determine whether a surplus exists. This would have an impact on Town and Parish Councils who could have one clerk employee, as cessation calculations would be immediately required between clerk appointments, rather than being suspended pending any new eligible members joining the Scheme which will add actuarial costs.

63.4 The tax implications of paying back a surplus have not been confirmed. - POST MEETING CLARIFICATION: LGA has confirmed no tax is payable.

63.5 Steven Law also spoke on the updates for the Funding Strategy Statement. Suspension notices would no longer be issued if there were no actives for an employer where a surplus is identified. The option to issue a suspension notice will remain where a deficit is identified. Work was underway to consider the administration costs for this for the fund. Flight plans would be utilised to manage the risks of a surplus emerging.

63.6 It was proposed to hold an informal Pensions Panel to discuss the impact to the investment strategy.

63.7 The Committee made comments including those that follow.

- Queried how the legislation changes may impact the fund stability. – *Steven Law explained that he would continue to use Gilts basis for employers with no guarantor – no change. However, further management may be required to control potential surpluses and the cash balance of the Fund. New admitted bodies would be underwritten and so have no impact.*
- Sought clarity on the different levels of surplus/deficits for admitted bodies. – *Steven Law explained that bodies that had no backer would be calculated on a stricter basis. Other bodies had large time frames and so investments would be used to help deficits.*
- Asked how the fund could become cashflow negative. – *Steven Law explained that this happened if the fund was paying out more than the contributions received. Rachel Wood added that the fund received income from investment mandates which gave the fund more breathing space.*
- Queried how the fund was insulated from the different financial positions of academies. – *Steven Law explained that if an academy experienced financial difficulties it would either be transferred to a new Multi-Academy Trust or go under. A new Multi-Academy Trust would take on the old position; if the academy went under the Department of Education would underwrite the deficit.*
- Asked who paid the valuation and cessation fees for Parish Councils. – *Steven Law explained that this would be netted from the asset*

position. Whilst a surplus would be payable within three months of the exit date, if a deficit was identified, there is a discretion to allow employers to be given a suspension notice which would give a plan on payment timing.

- Queried if all Parish Councils could be merged in the fund. – Steven Law confirmed that the regulations did not allow this.

63.8 Steven Law gave an update on the Government Actuary Department (GAD) valuation which had put an amber fail flag on the pension fund for increased costs for funding level reductions if there were a shock to the Fund's growth assets. The actuary has lobbied GAD that raising costs would not be necessary for the Fund due to the already high funding level and changes to the Fund's investment strategy. GAD have agreed to remove the flag.

63.9 The Panel welcomed the update and agreed to have an informal meeting on the 12 September to discuss the investment strategy.

64. Date of the next meeting

64.1 The Panel noted that its next scheduled formal meeting would take place on 1 November 2018 at 10.00 a.m. at County Hall, Chichester.

65. Exclusion of Press and Public

65.1 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.

66. Part II Minutes of the last meeting

The Panel agreed the Part II minutes of the Pensions Panel held on 25 July 2018.

67. ACCESS Pooling Update

The Panel considered a report by the Director of Finance, Performance and Procurement and also received a presentation on from John Wright, Hymans Robertson.

The Panel thanked John Wright for the update.

68. Review of Pension Performance

The Panel considered a paper by the Director of Finance, Performance and Procurement.

The Panel received an update from Caroline Burton, Independent Adviser, relating to the quarterly reports from the fund managers.

The Panel welcomed the advice.

69. Presentation by Baillie Gifford

The Panel received an update from Lynn Dewar and Susan Swindells from Baillie Gifford on the portfolio performance for the quarter.

The meeting ended at 12.48 pm

Chairman

Annual Meeting of the Pension Fund

25 July 2018 – At the Annual Meeting of the Pension Fund held at 2.15 pm at Committee Room 3, County Hall, Chichester, West Sussex, PO19 1RQ.

1. Welcome

1.1 Jeremy Hunt, Chairman of the Pensions Panel, welcomed attendees to the meeting.

1.2 Jeremy Hunt welcomed the attendees from the Pension Advisory Board; representatives from Hymans Robertson (the fund Actuary); representatives from Baillie Gifford; and attendees from Hampshire County Council who would be taking on responsibility for Pension Fund administration from March 2019.

1.3 Jeremy Hunt thanked the existing Capita staff for their work on pension administration and hoped to see as many staff as possible transfer over to Hampshire County Council.

1.4 Jeremy Hunt thanked officers and fund managers for their work which had resulted in a good position for the fund which was 110% funded.

1.5 Pooling remained a challenge for the fund, and officers were thanked for their work in progressing this.

2. Draft Annual Report of the Pension Fund

2.1 Steve Harrison, Financial Planning Manager, introduced the draft Annual Report of the Pension Fund (copy appended to the signed minutes).

2.2 The Fund held £4.2bn in total assets and was currently moving from equities to bonds to derisk. The fund was cashflow positive and had seen good performance from fund managers.

2.3 The role of the Pensions Panel was explained and how the Pension Advisory Board ensured compliance for the fund.

2.4 An attendee questioned the mention of oversea and domestic meetings within the report. – *Steve Harrison explained that this referred to the work of fund managers who would be tracking foreign investments.*

3. Pension Fund Pooling

3.3 John Wright, Hymans Robertson, gave a presentation on pooling (copy appended to the signed minutes).

4. Investment Markets

4.1 Susan Swindells and Lynn Dewar gave a presentation and spoke about the returns that Baillie Gifford had achieved for the pension fund (copy appended to the signed minutes).

4.2 Baillie Gifford looked at businesses that were focussed on growth and were currently investigating opportunities in LED Lighting.

4.3 The Baillie Gifford Global Alpha Stewardship was also explained, and how it would align with the aspirations of the pension fund.

5. Actuarial Matters

5.1 Steven Law, Hymans Robertson gave a presentation on regulatory changes and the impact on exit credits (copy appended to the signed minutes).

5.2 Steven Law explained the recent change in legislation and how this would impact exit credits.

5.3 Steven Law also explained the National Academy Review and the consultation process this would follow.

5.4 An attendee questioned the 110% funding level and if this would lead to a change in employer contributions and lump sum amounts. – *Steven Law explained that in the immediate term, this would only impact a closed admission body that was leaving the fund soon as contributions from employers are otherwise set at each valuation. However, contribution rates and lump sums would be considered at the next valuation in 2019.*

5.5 An attendee asked when employers would be informed of initial contribution rates. – *Steven Law expected this information should be available in October 2019 to assist with budget planning.*

5.6 An attendee sought clarity on section 75 payments and the repayment of deficits. – *Steven Law explained that if there was a surplus the regulations said this should be paid in 3 months or on an agreed date. The regulations did not have a deadline for deficit payments. Attendees were advised to talk to the pension fund if they were concerned.*

6. Pension Administration Update

6.1 Steve Harrison introduced the item and explained that the decision had been taken to move the pension administration function from Capita to Hampshire County Council.

6.2 Andrew Lowe from Hampshire County Council explained that the main migration work would be completed in March 2019. Hampshire County Council had experience with pension transfers. The migration would be performed with the pension system provider Civica. Discussions were already taking place with Capita regarding the migration.

6.3 Andrew Lowe explained that Hampshire County Council placed great emphasis on data quality and would maintain a high standard of performance for the pension fund.

6.4 An attendee queried what would happen with the Hartlink system.
– *Andrew Lowe explained that the Hartlink system belonged to Capita and so Hampshire County Council intended to transfer data to their own administration system (Civica). Member access would be in place when the system went live, employer access would follow.*

6.5 An attendee queried how members would be engaged in the changes. – *Steve Harrison explained that a communication plan was a key consideration for the project.*

6.6 An attendee sought clarity on how incorrect data within the current system would not be migrated across to the new system. – *Andrew Lowe explained that the Civica system would perform match exercise to look at the data. The output of this would be shared with West Sussex County Council and employers to rectify any issues.*

6.7 An attendee queried the progress with Guaranteed Minimum Pension. – *Steve Harrison explained that this project was still underway. The work will progress but complete following the migration in compliance with HMRC requirements.*

6.8 An attendee queried the implications of GDPR. – *Andrew Lowe explained that West Sussex County Council, Hampshire County Council, Capita and Civica were all collaborating to ensure the safety of data was maintained. Steve Harrison added that officers were mindful of this and had sought IT and legal advice.*

6.9 An attendee queried how Hampshire County Council's performance statistics compared to Capita's. – *Jeremy Hunt explained that Hampshire County Council's Key Performance Indicators (KPIs) had slightly longer turnaround times than current adopted for the Capita contract but they covered a broader range of case types and there was a 100% target for each providing more certainty for delivery. As a result Hampshire County Council had a high satisfaction rating. It was important to improve the management of member expectations and ensure that delicate situations were handled on a case by case basis.*

The meeting ended at 3.25 pm

Chairman

Tony Kershaw
Director of Law and Assurance

If calling please ask for:

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24 October 2018

Pensions Panel

A meeting of the panel will be held at **10.00 am** on **Thursday, 1 November 2018** at **County Hall, Chichester**.

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:

- Dr. Walsh is a Member of the Littlehampton Harbour Board, Arun District Council and Littlehampton Town Council
- Mr Donnelly is a Horsham District Councillor
- Mr Jupp has a daughter who works for Blackrock

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

10.02 am 2. **Minutes for approval**

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

The Panel is asked to agree the Part I minutes of the meeting of the Panel held on 25 July 2018 attached (cream paper).

(b) **Minutes of the Annual Meeting of the Pension Fund** (Pages 11 - 14)

The Panel is asked to agree the minutes of the Annual Meeting

of the Pension Fund held on 25 July 2018, attached (cream paper).

10.04 am 3. **Urgent Matters**

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

10.05 am 4. **Part II Matters**

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

10.05 am 5. **Investment Strategy** (Pages 15 - 22)

Report by Director of Finance, Performance and Procurement.

The Panel is asked to consider the recommendation within the report.

10.35 am 6. **Actuarial Matters**

Presentation by Hymans Robertson.

10.50 am 7. **Business Plan** (Pages 23 - 42)

Report by Director Finance, Performance and Procurement attached and Presentation by Hymans Robertson.

The Panel is asked to note the progress on the Fund Business Plan. The Panel is also asked to note and agree the Training Strategy.

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

The next meeting of the Pensions Panel will be 10.00 a.m. 28 January 2019 at County Hall.

Part II

11.15 am 9. **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.

11.15 am 10. **Part II Minutes of the last meeting** (Pages 43 - 46)

To confirm the part II minutes of the meeting of the Panel held on 25 July 2018, for members of the Panel only (yellow paper).

- 11.20 am 11. **Update on Pensions Administration** (Pages 47 - 52)
- Report by Director Finance, Performance and Procurement attached for members of the Panel only (yellow paper).
- The Panel is asked to consider the recommendations within the report.

- 11.35 am 12. **Review of Pension Performance**
- The following reports are for the Panel to review Pension performance over the last quarter.
- (a) **Transaction and Performance** (Pages 53 - 54)
- Paper by the Director of Finance, Performance and Procurement summarising transactions and performance during the quarter, for members of the Panel only (yellow paper).
- (b) **Independent Fund Advisor Comments** (To Follow)
- Paper from the independent fund advisor giving comments on the quarter, for members of the Panel only (yellow paper).

- 11.45 am 13. **Presentation by UBS**
- Portfolio from Fund Manager for members of the Panel only.

Lunch - for members of the Panel and Guests

- 1.45 pm 14. **Presentation by Partners Group**
- Portfolio from Fund Manager for members of the Panel only.

To all members of the Pensions Panel

Pension Panel

1 November 2018

Business Plan and Risk Register

Report by Director of Finance, Performance and Procurement

Summary

This report focuses on the day to day activities of the Fund, as set out originally in the 2018/19 business plan agreed by the panel in April 2018.

It highlights the progress against key tasks and how risks are being addressed or mitigated by that work.

Recommendation

That the progress made on the Fund Business Plan is noted.

That the Training Strategy set out as part of the update is noted and agreed.

Background

1. The Pensions Panel approved its Business Plan for 2018/19 at its meeting in 30 April 2018.
2. The Business Plan is an important document which sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved.
3. The Pensions Panel approach, historically, has been to review its business plan annually at the start of the year and consider the risks faced by the Fund. A report based on any emerging key business issues, issues with a high level of risk identified, any area of concern or any other matter the Director of Finance, Performance and Procurement wishes to bring to the attention of the Panel is then provided to the Panel each quarter.

Business Plan Update on Objectives and Risk 2018/19

4. The below table provides an update on progress against the Business Plan objectives, details the impact on risk and proposes actions for the next quarter.

Progress on LGPS Asset Pooling

| | |
|------------------------------|--|
| Update | <p>Officers are active on the Section 151 and the Officer Working Group to ensure the requirement of our Pension Fund are being met.</p> <p>A progress update was provided to Government in mid-October 2018 setting out the work of the Pool against the criteria set by Government.</p> <p>The Operator (Link) is currently negotiating terms with Investment Managers to launch a further series of sub-funds between December 2018 to April 2019.</p> <p>The officer recruitment to the ACCESS Support Unit (ACS) is underway, to provide officer support across the Pooled Funds.</p> |
| Impact on risk | <p>New arrangements for pooling under ACCESS may not meet the requirements of the West Sussex Pension Fund.</p> <p>Failure to comply with Government expectations on asset pooling.</p> |
| Actions for the next quarter | <p>Continued involvement at officer and Member level in the ACCESS meetings.</p> <p>Work on the governance of ACCESS and the role of the Treasurer (S151 officer) expected ahead of the January Pension Panel meeting.</p> |
| GDPR | |
| Update | <p>Updates to the Fund's privacy notice, completing a schedule detailing the parties the Fund shares information with and putting in place a Memorandum of Understanding with all employers to set out the rights and obligations regarding data sharing.</p> <p>Privacy notice updated.</p> <p>Data Sharing Agreements with employers in place with employers at the moment. This is being actively pursued by officers.</p> <p>Ensure that East Sussex CC (who process a small number of records for a College that merged into West Sussex) is GDPR compliant.</p> |
| Impact on risk | Non-compliance with GDPR |
| Actions for the next quarter | Ensure the Fund can evidence that all employers are GDPR compliant. |

| Environmental, Social and Governance Matters | |
|---|---|
| Update | Officers are regularly reviewing the Funds position regarding those asset classes which it receives the most correspondence on i.e. fracking and fossil fuel investments. |
| Impact on risk | Reputational risk if unresponsive to issues raised Changes to Investment Regulations could affect the investment scope. |
| Actions for the next quarter | Discuss emerging issues relating to Environmental, Social and Governance (ESG) matters with investment managers. Work with ACCESS colleague to reflect ESG policies within any sub-fund arrangements for asset pools. Review Stewardship Code. |
| Administration | |
| Update | The Pensions Regulators Scheme Return is due on 6th November. The Fund is currently working with Capita to provide analysis of the data held on the Administration system and a resultant data improvement plan. The Fund is required to complete a reconciliation of Guaranteed Minimum Pension records between its own records and records held by HMRC. For deferred and pensioners the Fund is in the final stages and are awaiting a response from HMRC on the queries. For active members we are coming to the end of phase one where queries will be submitted to HMRC. Progress on the pension administration transfer to Hampshire County Council is reported elsewhere on the agenda. |
| Impact on risk | Inaccurate and/or incomplete data retained by the Pension Fund impacting the information provided to members in terms of accuracy and timeliness, and assessment of employer positions. Legislation specifies the records that must be kept and failure to comply is a breach of the law. |
| Actions for the next quarter | Submit return to the Pension Regulator Progress work on the Guaranteed Minimum Pension as required by HMRC. Continue to work with Hampshire County Council and Capita to progress on the pension administration transfer including working with the Fund Actuary on data quality ahead of the 2019 Actuarial Valuation. |

| Training | |
|------------------------------|--|
| Update | <p>A log of training completed and available is included at Appendix A.</p> <p>Plan drafted and attached to this update at Appendix B (including annexes).</p> |
| Impact on risk | Knowledge and understanding of the Board and Panel members may not comply with the requirement to have the appropriate knowledge and understanding. |
| Actions for the next quarter | <p>Agree and implement the Plan.</p> <p>The Pension Advisory Board has a high standard of knowledge set for it by the Pension Regulator and there may be merit in using any sessions set up for the Panel to provide joint training with members of the Pension Advisory Board also.</p> |

Katharine Eberhart

Director of Finance, Performance and Procurement

Contact: Steve Harrison, Financial Planning Manager, 033 022 23391

Appendices

Appendix A - Completed and Upcoming Training Log at 30 September 2018

Appendix B – Draft Training Strategy

Background Papers

None

Completed and Upcoming Training Log at 30 September 2018

| | Training Offered | Event Date | Mr Bradford | Mrs Dennis | Mr Elkins | Mr Hunt | Mr Jupp | Mrs Urquhart | Dr Walsh | Mr Donnelly | Ms Taylor |
|-----------|--|----------------------|-------------|------------|-----------|---------|---------|--------------|----------|-------------|-----------|
| Completed | Fundamentals | 10 October 2017 | | ✓ | | | | | | | |
| | CIPFA Annual Pensions Conference | 22 November 2017 | ✓ | | | | ✓ | ✓ | | | ✓ |
| | Baillie Gifford: Global Alpha Investor Forum | 29 November 2017 | ✓ | | | | | | | | |
| | Fundamentals Day 1 | 10 October 2017 | | ✓ | | | ✓ | | | | |
| | Fundamentals Day 2 | 15 November 2017 | | ✓ | | ✓ | ✓ | | | | |
| | Fundamentals Day 3 | 13 December 2017 | | ✓ | | | ✓ | | | | |
| | LAPF Strategic Investment Forum | 07 February 2018 | | ✓ | | ✓ | ✓ | | | ✓ | ✓ |
| | Aberdeen Standard Investments 2018 UK Pension Investment Seminar | 30 January 2018 | | | | | | | | ✓ | |
| | WSPF Financial statements | 13 June 2018 | | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| | Baillie Gifford: investment seminar | 26-27 September 2018 | | | | ✓ | | | | | |
| Upcoming | PLSA Local Authority update (London) | 06 November 2018 | | | | | | | | | |
| | SPS LGPS Investment Strategies Conference (London) | 15 November 2018 | | | | | | | | | |
| | CIPFA Annual Pensions Conference (London) | 22 November 2018 | | | | | | | | | |
| | Club Vitas 10th Birthday Seminar(London) | 04 December 2018 | | | | | | | | | |
| | LGA – LGPS Local Governance Conference (Bristol) | 17 – 18 January 2019 | | | | | | | | | ✓ |
| | LAPF Strategic Investment Forum (London) | 07 February 2019 | | | | | ✓ | | | | |
| | Baillie Gifford: LGPS investment seminar (Edinburgh) | 09-10 October 2019 | | | | ✓ | | | | | |

TRAINING STRATEGY 2018/19

This is the training strategy for the West Sussex County Council Pension Fund.

The training strategy is established to aid the Pension Panel and Pension Advisory Board members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities. This is in the context of:

The Pensions Regulator's Code of Practice relating to the requirements of the knowledge and understanding of the Pension Advisory Board (see Annex 1 for more information).

The Knowledge and Skills Framework developed by CIPFA (see Annex 2 for more information).

Guidance covering the knowledge and understanding of the Pension Advisory Board issued by the Scheme Advisory Board (SAB) (see Annex 3 for more information).

Although the legal requirements in relation to the Pension Advisory Board are more stringent than any obligations enforceable on Pension Panel members or Officers, the expectation is that the same knowledge and understanding requirements should apply. Therefore this strategy applies equally.

This strategy was approved by the Pension Panel on 1 November 2018 and is effective from that date. This strategy is expected to be appropriate for the long-term but it will be reviewed annually, and if necessary, more frequently to ensure it remains accurate and relevant.

Purpose of the Strategy

Background

1. It is appropriate for the Pension Fund to establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support Pension Advisory Board, Pension Panel and Officers. The responsibility for ensuring that a framework is developed and implemented is ultimately the Scheme Manager, supported by Finance Manager – Pension Fund Governance.
2. Notwithstanding the above, it is ultimately the members' responsibility to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their function as a member of the Panel or Board.

Strategy Objectives

3. The West Sussex Pension Fund's objectives relating to knowledge and skills are to:
 - Ensure that the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
 - Ensure the Pension Fund is effectively governed and administered; and
 - Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government.
4. To assist in achieving these objectives, the County Council will aim for full compliance with the areas of knowledge and understanding set out by the Pensions Regulator in their Code of Practice (No. 14) and CIPFA Knowledge and Skills Framework. Attention will also be given to the guidance issued by the Scheme Advisory Board and guidance issued by the Secretary of State. Members of the Pension Panel, members of the Pension Advisory Board and Officers require a knowledge and understanding of:
 - The **relevant Pensions Legislation** including LGPS Regulations and any other regulations governing the LGPS;
 - Public Sector **governance** including responsibilities delegated by West Sussex County, the roles and responsibilities and duties of the scheme manager and other committees and effective decisions in the management of the Pension Fund including risk assessments / management and risk registers.
 - The fundamental requirements relating to **financial markets and pension fund investments** including investment performance, risk management and the Investment Strategy Statement;

- The **operation and administration** of the Pension Fund including any document recording policy / scheme-approved policy about the administration of the Pension Fund¹ and Pensions Accounting and Auditing Standards;
 - **Actuarial methods, standards and practices** and controlling and monitoring the funding level including the Funding Strategy Statement; and
 - Pensions Services **procurement and relationship management**;
 - Such other matters as may be prescribed.
5. To support this, members of the Pension Panel, members of the Pension Advisory Board and Officers will:
- Have their knowledge measured and assessed;
 - Receive appropriate training to fill any knowledge gaps identified; and
 - Seek to maintain their knowledge.

Further details on how this will be achieved are set out in the next section (Delivery of Training).

6. Given the importance of the roles of Chairman of the Pension Panel and Chairman of the Pension Advisory Board in leading and shaping the direction of their respective bodies, it is expected that they will both be able to demonstrate an additional level of knowledge and skills to that required by the other members of the Pension Panel and Pension Advisory Board.

How the strategy meets West Sussex County Council Pension Fund Objectives

7. The strategy meets the following objectives of the West Sussex County Council Pension Fund as set out in the Business Plan –
- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance;
 - Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers;
 - Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities

¹ Including conflicts of interest, record keeping, internal dispute resolution, reporting breaches, maintaining contributions, appointments, exercise of discretionary functions, statement of communication, pension administration strategy and admission body arrangements.

and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment;

- Continually monitor and measure clearly articulated objectives through business planning; and
- Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

Delivery of Training

Training Plans and Resources

8. To be effective, training must be recognised as a continual process and will be centred on three key points
 - The individual;
 - The general pensions environment;
 - Coping with change and current talking points.
9. All members and officers should commit sufficient time in their learning and development and be aware of their responsibilities immediately when they take up their position.
10. Members of the Pension Panel, members of the Pension Advisory Board and Officers will have their knowledge measured and assessed at least annually via a questionnaire.
11. Training plans will be developed by officers at least on an annual basis following a review of the above assessments to ensure as far as possible individual members receive appropriate training to fill any knowledge gaps identified. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, key events (e.g. the triennial valuation) and receipt of updated guidance. However it is recognised that a rigid training plan can be detrimental. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.
12. Members of the Pensions Panel, Pension Advisory Board and Officers will be expected to maintain their knowledge through continuing attendance at training events, reading material and conferences as appropriate.
13. Consideration will be given to various training resources available in delivering training to the Pension Panel, members of the Pension Advisory Board and officers. These may include but are not restricted to:

| Delivery | Commentary | PAB | Panel | Officers |
|---|---|-----|-------|----------|
| Induction training | This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles. | ✓ | ✓ | ✓ |
| The Pension Regulator's e-learning programme | <p>On line tool covering seven short modules:</p> <ol style="list-style-type: none"> 1. Conflicts of Interests; 2. Managing Risk and Internal Controls; 3. Maintaining Accurate Member Data; 4. Maintaining Member Contributions; 5. Providing Information to Members and Others; 6. Resolving Internal Disputes; 7. Reporting Breaches of the Law. <p>The toolkit is designed specifically with Pension Advisory Board members in mind but the material covered is of equal relevance to members of the Pension Panel and Officers.</p> <p>It is expected that all modules are covered.</p> | ✓ | ✓ | ✓ |
| Attending courses, seminars and external events | <p>Notification of appropriate training events will be sent on receipt and a log will be included within the Business Plan updates to each of the relevant meetings.</p> <p>After attendance at an external event, Members and Officers will be asked to provide feedback via a feedback form which will be issued by Officers covering the following points:</p> <ul style="list-style-type: none"> • Their view on the value of the event and the merit, if any, of attendance; • A summary of the key learning points gained from attending the event; and • Recommendations of any subject matters at the event in relation to which training would be beneficial to other Pension Panel, Pension Advisory Board | ✓ | ✓ | ✓ |

| Delivery | Commentary | PAB | Panel | Officers |
|---|--|------------|--------------|-----------------|
| | <p>members or other Officers.</p> <p>This will assist with ensuring relevant training is offered in the future and enable Officers to ensure that the Fund is meeting the requirements of the Pension Regulator.</p> | | | |
| Internally developed training days and pre/post meeting sessions or in collaboration with other Funds or frameworks | Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which a decision is to be made by the Panel in the near future or is subject to review by the Board. | ✓ | ✓ | ✓ |
| Regular updates from officers and/or advisers including circulated reading material | This can be provided as necessary depending on the topical issues arising which the Fund is facing, to ensure up to date knowledge. | ✓ | ✓ | ✓ |
| Self-improvement and familiarisation with regulations and documents | Formal training can be used to highlight sources of further information for supplementary reading. Information held on the internet – such as webinars – can be used as a source of further information. | ✓ | ✓ | ✓ |
| Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI) | As agreed by the Director of Finance, Performance and Procurement, to meet the needs of the service and where necessary in keeping with the requirements of apprenticeship training | | | ✓ |

Risk

Risk Management

14. The compliance and delivery of this training strategy is at risk in the event of:
- Frequent changes in membership of the Pension Panel or Pension Advisory Board;
 - Poor individual commitment;
 - Resources not being available;
 - Poor standards of training;
 - Inappropriate training plans.
15. These risks will be monitored by officers within the scope of this training strategy and be reported where appropriate.

2019 Training Proposals

Training for November 2018 will focus on investment types currently being considered as part of the review work of the investment strategy e.g. infrastructure and private debt. This may also be relevant to investment pooling options being opened up by the ACCESS work.

Further training as background to decisions on the investment strategy will therefore be expected.

2019 will be a Fund valuation year, and the work of valuation and the role of the actuary will need to be covered.

2019 will also see the pension administration function transfer to Hampshire County Council, and hence it may be appropriate to provide a session around the requirements of administration (such as the need for an annual benefit statement) as part of the background for this transfer.

Understanding the statutory framework including the role of the Pension Regulator may also be useful and any issues the Regulator has raised in relation to LGPS funds.

Joint training with the Pension Advisory Board may be appropriate for some sessions.

Pension Regulators Area of Knowledge and Understanding

1.1. Legal requirements

- 1.1.1. A member of the pension board of a public service pension scheme must be conversant with:
 - the rules of the scheme, and
 - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
- 1.1.2. A member of a pension board must have knowledge and understanding of:
 - the law relating to pensions, and
 - any other matters which are prescribed in regulations.
- 1.1.3. The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board

1.2. Practical guidance

- 1.2.1. The legislative requirements about knowledge and understanding only apply to pension board members. However, scheme managers should take account of this guidance as it will support them in understanding the legal framework and enable them to help pension board members to meet their legal obligations
- 1.2.2. Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented.
- 1.2.3. However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.

1.3. Areas of knowledge and understanding required

- 1.3.1. Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being 'conversant' means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.
- 1.3.2. They must also have knowledge and understanding of the law relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.

- 1.3.3. In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category:
- any scheme-approved policies relating to:
 - conflicts of interest and the register of interests
 - record-keeping
 - internal dispute resolution
 - reporting breaches
 - maintaining contributions to the scheme
 - the appointment of pension board members
 - risk assessments/management and risk register policies for the scheme
 - scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures
 - the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members
 - terms of reference, structure and operational policies of the pension board and/or any sub-committee
 - statements of policy about the exercise of discretionary functions
 - statements of policy about communications with members and scheme employers
 - the pension administration strategy (or equivalent), and
 - any admission body strategy (or equivalent)
- 1.3.4. For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.
- 1.3.5. Pension board members must also be conversant with any other documented policies relating to the administration of the scheme.
- 1.3.6. Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.
- 1.3.7. Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant. This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.

1.4. Degree of knowledge and understanding required

- 1.4.1. The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.
- 1.4.2. Schemes should assist individual pension board members to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.
- 1.4.3. Pension board members must have a working knowledge of their scheme regulations and documented administration policies. They should understand their scheme regulations and policies in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.
- 1.4.4. Pension board members must have knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.
- 1.4.5. Pension board members should be able to identify and where relevant challenge any failure to comply with:
 - the scheme regulations
 - other legislation relating to the governance and administration of the scheme
 - any requirements imposed by the regulator, or
 - any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.
- 1.4.6. Pension board members' breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge any information or advice they are given. They should understand how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.
- 1.4.7. Pension board members of funded pension schemes should ensure that they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.
- 1.4.8. All board members should attain appropriate knowledge so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a

pensions law expert (for instance, as a result of their day job) should have a greater level of knowledge than that considered appropriate for board members without this background.

1.5. Acquiring, reviewing and updating knowledge and understanding

- 1.5.1. Pension board members should invest sufficient time in their learning and development alongside their other responsibilities and duties. Schemes should provide pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.
- 1.5.2. Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. Schemes should offer pre-appointment training or arrange for mentoring by existing pension board members. This can also ensure that historical and scheme specific knowledge is retained when pension board members change.
- 1.5.3. Pension board members should undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They should use a personalised training plan to document and address these promptly.
- 1.5.4. Learning programmes should be flexible, allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in the event of any change. For example, pension board members who take on new responsibilities will need to ensure that they gain appropriate knowledge and understanding relevant to carrying out those new responsibilities.
- 1.5.5. The regulator will provide an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. If schemes choose alternative learning programmes they should be confident that those programmes:
 - cover the type and degree of knowledge and understanding required
 - reflect the legal requirements, and
 - are delivered within an appropriate timescale.

1.6. Demonstrating knowledge and understanding

- 1.6.1. Schemes should keep appropriate records of the learning activities of individual pension board members and the board as a whole. This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place.

CIPFA Requirements

1.7. CIPFA Knowledge and Skills Framework

- 1.7.1. In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 Pension Committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:
- Pensions legislative and governance context;
 - Pension accounting and auditing standards;
 - Financial services procurement and relationship development;
 - Investment performance and risk management;
 - Financial markets and products knowledge; and
 - Actuarial methods, standards and practice.
- 1.7.2. The Knowledge and Skills Framework sets the skills required for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS funds.

1.8. Local Pension Boards: A Technical Knowledge and Skills Framework

- 1.8.1. In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members;
- Pensions Legislation;
 - Public Sector Pensions Governance;
 - Pensions Administration;
 - Pensions Accounting and Auditing Standards;
 - Pensions Services Procurement and Relationship Management;
 - Investment Performance and Risk Management;
 - Financial markets and product knowledge;
 - Actuarial methods, standards and practices.

1.9. CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")

- 1.9.1. CIPFA's Code of Practice, issued in 2013, embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:
- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
 - ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
 - publicly report how these arrangements have been put into practice each year

- 1.9.2. The West Sussex County Council Pension Fund fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. This training strategy formally sets out the arrangements the West Sussex County Council Pension Fund will take in order to comply with the principles of the Code of Practice.

Guidance from the Scheme Advisory Board

1.10. General Principles

- 1.10.1. The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Pension Advisory Board members to understand their knowledge and understanding obligations.
- 1.10.2. Knowledge and understanding must be considered in the light of the role of a local pension board and West Sussex County Council will make appropriate training available to assist and support PAB members in undertaking their role.

1.11. Committee Members

- 1.11.1. Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of an s101 Pension Committee. However, it is proposed that members of the Pension Panel should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

1.12. Degree of Knowledge and Understanding

- 1.12.1. The role of the Pension Advisory Board is to assist the Scheme Manager i.e. the administering authority. To fulfil this role, Pension Advisory Board members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or Codes of Practice.
- 1.12.2. Pension Advisory Board members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the West Sussex County Council Pension Fund in enough detail to know where they are relevant and where it will apply.

Training Sessions Delivered at County Hall and External

| | 22 June 2015 | 22 June 2015 | 23 October 2015 | 23 October 2015 | 16 March 2016 | 6 December 2016 | 27-Feb-17 | 2 March 2017 |
|--------------------|---|--|--|--|--|--|------------------------------------|--|
| | Training from Baillie Gifford on Investment Managers work | Training from Steve Harrison on background of the West Sussex LGPS | Training from Peter Scales on Pension Board Governance | Training from Clare Chambers on the work of Capita | Training from EY and from Internal Audit | Training from Peter Scales on the Investment Regulations | CIPFA LGPS Spring Seminar for LPPs | Training from Richard Cohen on the UK taxation system and the wider pension landscape. |
| Peter Scales | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Richard Cohen | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| Christopher Scanes | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Kim Martin | | | | | | ✓ | | ✓ |
| Tim Stretton | | | | | | | | |
| Becky Caney | | | | | | | | |
| Miranda Kadwell | | | | | | | | |

| | 21 June 2017 | 28 June 2017 | 29 & 30 June 2017 | 5 July 2017 | 19 September 2017 | 26 February 2018 |
|-----------------------|--------------------------------------|----------------------------|---------------------------------|---------------------|--|--------------------------------------|
| | Pensions Panel Induction Training | CIPFA LPBs Two Years On | LGA LGPS Trustees Conference | LGPS Pooling Update | Pension and Lifetime Savings Conference | CIPFA Local Pension Board seminar |
| Peter Scales | | ✓ | | ✓ | ✓ | ✓ |
| Richard Cohen | ✓ | | | ✓ | ✓ | |
| Christopher Scanes | | | ✓ | ✓ | | |
| Kim Martin | ✓ | | | | | |
| Tim Stretton | | | | | | ✓ |
| Becky Caney | | | | | | |
| Miranda Kadwell | | | | | | |

| | 13-Jun-18 | 27-Jun-18 | 18-Jul-18 | 15-Oct-18 |
|-----------------------|------------------------------|---|---------------------------------------|--------------------------------------|
| | WSPF Financial statements | CIPFA Local Pension Board Annual Event | Risk Framework (internal training) | CIPFA Local Pension Board seminar |
| Peter Scales | ✓ | | ✓ | ✓ |
| Richard Cohen | ✓ | | ✓ | |
| Christopher Scanes | ✓ | ✓ | ✓ | |
| Kim Martin | ✓ | | | |
| Tim Stretton | | ✓ | | |
| Becky Caney | | | | |
| Miranda Kadwell | | | | |

Pension Regulator Toolkit - Module Progress

| | Conflicts of Interest | Managing risk and internal controls | Maintaining accurate member data | Maintaining member contributions | Providing information to members and others | Resolving internal disputes | Reporting breaches of the law |
|-----------------------|--------------------------|--|---|--|--|-----------------------------------|-------------------------------------|
| Peter Scales | Passed | Passed | Passed | Passed | Passed | Passed | Passed |
| Becky Caney | | | | | | | |
| Richard Cohen | Passed | Passed | Passed | Passed | Passed | Passed | Passed |
| Miranda Kadwell | | | | | | | |
| Kim Martin | | | | | | | |
| Christopher Scanes | Passed | Passed | Passed | Passed | Passed | Passed | Passed |
| Tim Stretton | Passed | Passed | Passed | Passed | Passed | Passed | Passed |

Pension Advisory Board

21 November 2018

Regulations and Guidance Update

Report by the Chairman of the Pension Advisory Board

Executive 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. This report provides an update on issues to be considered at this and future meetings.

Recommendations

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

1. Knowledge & Skills Resources

- 1.1 A note was circulated to PAB members in August outlining the various sources of information, current action to update those resources and described the means to access the LGPS website. A copy of the note is attached as **Appendix A**.

2. LGPS Bulletins

- 2.1 Since the last meeting, PAB members have been provided with copies of the regular Bulletins issued by the Local Government Pensions Committee (which can also be accessed on the LGPS website), together with a brief status report on any action required. A copy is attached as **Appendix B**.

3. Equality Impact Review

- 3.1 An Equality Impact Review is not required as there are no relevant decisions to be taken.

Peter Scales

Chairman of the Pension Advisory Board

Contact: Adam Chisnall, Democratic Services Officer, 033 022 28314

Appendices

Appendix A - Knowledge & Skills Resources - LGPS Regulations and Guidance

Appendix B - Knowledge & Skills Resources - LGPS Bulletins

Background papers

None

West Sussex Pension Advisory Board

Knowledge & Skills Resources - LGPS Regulations and Guidance

The requirements

As set out in the Board's terms of reference, and based on the requirements of regulations and guidance, every member of the Pension Advisory Board (PAB) must be conversant with the legislation and associated guidance of the Local Government Pension Scheme (LGPS).

Sources of information

The framework of statutory regulations and guidance is vast and PAB members clearly cannot be expected to know every clause and paragraph. However it is important that they know who to ask and where to look for information when required, as well as maintaining a detailed understanding of that regulatory framework.

The Fund officers are a key source of knowledge and they advise the Board orally and through written reports, giving members the opportunity to ask questions.

The West Sussex website provides information about the LGPS for both employers and members, as well as generally for the public.

Current action in place

In order to supplement those sources of knowledge, skills and information, the following tools are available:

- ✓ LGPS update is a standing item on the agenda for each meeting
- ✓ The chairman will circulate LGPS bulletins and updates as and when received
- ✓ Officers will provide further information on LGPS updates as they apply to West Sussex as and when appropriate
- ✓ Board member can access the LGPS website as a source of information

Scheme oversight and management

The Local Government Association (LGA) represents administering authorities, scheme administrators and employers in managing the Scheme in conjunction with the Government and the Scheme Advisory Board. They have performed this function for many years and co-ordinate responses to changes in the legislation and provide updates on those changes by way of:

An LGPS website - A comprehensive website containing details of all the Scheme regulations and guidance is maintained by the LGA and is a wholly reliable source for a current version of the regulations. The website can be accessed on www.lgpsregs.org and further information about the site is set out on the next page.

LGPS bulletins and circulars - Regular updates are circulated by email in the form of bulletins and circular. These not only notify regulatory changes but also advice and guidance on implementation and on other current issues.

Peter Scales
Chairman, Pension Advisory Board

August 2018

Using the LGPS website

The picture below shows the home page of the website and is fairly simple to navigate.

Some key items are:

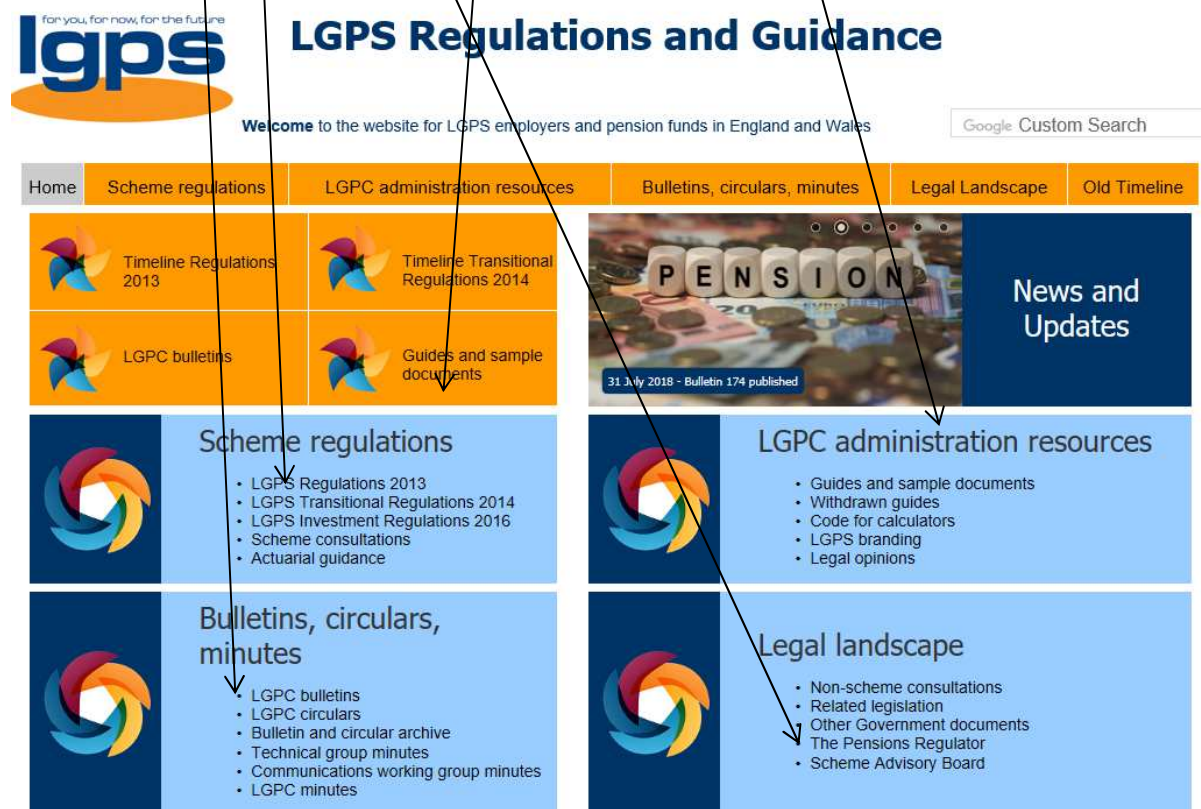
'Click' on "[LGPS Regulations 2013](#)" to see the main regulations. You will recognise some of the clauses that refer to policy documentation for example.

Similarly, 'click' on "[LGPS Investment Regulations 2016](#)" to see those regulations and the statutory guidance on preparing an Investment Strategy Statement, for example.

'Click' on "[LGPC bulletins](#)" to see the bulletins issued.

'Click' on any of the items listed under "[LGPC administration resources](#)" to see more detailed guidance on how to apply certain regulations.

'Click' on "[The Pension Regulator](#)" in the box under "Legal landscape" to see Code of Practice No. 14, for example.



West Sussex Pension Advisory Board

Knowledge & Skills Resources - LGPS Bulletin update [1]

Purpose

The purpose of these update is to give PAB members advance awareness of regulatory issues and guidance which have been widely circulated.

The intention is not to 'second-guess' officers or to put unnecessary pressure on reporting but to make PAB members aware of forthcoming issues, to build knowledge and to enable members to contribute to discussion in wider circles.

These updates provide a brief summary of the key issues in each bulletin and an indication of whether the matter has been reported, has still to be reported or does not require report.

Bulletin update

Generally each Bulletin will be forwarded by email when notified by LGPC but importantly they can be accessed on the LGPS site complete with weblinks to other documents.

| Bulletin | Relevant content | Report |
|----------------------------|--|--|
| 170 April | Preview of LGPS amendment regulations (see also Bulletin 171) Reminder on discretions policy Reminder on GDRP plus legal advice Interim technical support provided to MHCLG (Con Hargrave) TPAS launches free phone helpline | 18-7-18 (10) For noting |
| 171 May | Provides details of the LGPS (Amendment) Regulations 2018 Details of proposed changes not taken forward | 18-7-18 (10) For noting |
| 172 May | Updates to guides and websites 2017 LGPS annual report (some useful data) Elmes v Essex judgement (nominating cohabiting partners) GDPR - update of privacy notice guides Data retention periods (15 years after final payment) tPR governance and administration survey findings 2018 Scheme returns - scheme-specific data Financial Guidance and Claims Act 2018 | For noting 18-7-18/ TBR For noting |
| 173 June | Confusion over early retirement without employer permission Judgement on MHCLG guidance on investment strategy tPR engagement - new KPIs Specific message to local pension boards Recovery of overpayments - time limits ruling Strengthening trustees' investment duties - possible implications for LGPS Investment Strategy Statement | For noting TBR For noting |
| 174 July | Exit credits - tax position Scheme return - conditional data Contracted-out reconciliation - urgent action tPR cold-calling press release/possible ban | TBR TBR TBR For noting |
| 175 Aug | Progress updates on Elmes vs Essex and conditional data | For noting |

| Bulletin | Relevant content | Report |
|---------------------|---|---|
| 176 Sept | <p>Scheme Advisory Board</p> <ul style="list-style-type: none"> - Analysis of the LGPS Academy Sector - Code of Transparency - Options for separation - Third tier employers <p>HM Treasury statement on quadrennial valuations</p> <p>The Pensions Ombudsman</p> <ul style="list-style-type: none"> - Clearer signposting for pension dispute resolution - Guidance on redress for non-financial injustice <p>The Pensions Regulator</p> <ul style="list-style-type: none"> - New approach to workplace pensions regulation <p>Training</p> <ul style="list-style-type: none"> - LGPS Governance Conference - Fundamentals Programme | <p>For noting at this early stage but may need reporting</p> <p>Impact on LGPS unclear but may need review under valuation at a future meeting</p> <p>Mainly for information but useful to be aware</p> <p>TBR for future review</p> <p>Already notified</p> |

TBR = To be reported

September 2018

Pension Advisory Board

21 November 2018

Review of CIPFA's Guide for Local Pension Boards

Report by Director of Finance, Performance and Procurement

Summary

This report provides a review of the Guide for Local Pension Boards published by CIPFA in May 2018. Officers have reviewed this document and this report highlights areas that need to be considered and will be addressed in the recommendations.

Recommendation(s)

The Board notes the update and considers the Guidance.

1. Introduction

- 1.1. The first guide by CIPFA relating to Local Pension Boards (LPB) was published in July 2015 when the Local Pension Boards were first set up. CIPFA have now provided updated guidance which reflects knowledge acquired since the inception of the LPB's.
- 1.2. This guidance has been reviewed by Officers to ensure that West Sussex is following best practice and to make recommendations if necessary. It is considered that the Board is fully compliant but could implement a few changes to reflect the Guidance which are being worked through by Officers.
- 1.3. The legislation and functions relating to Local Pension Boards is included as Appendix A.
- 1.4. The following section of the report consider the Guidance.

2. Board relationships

- 2.1. This section looks at how the LPB interacts with the Administering Authority and the findings are based on the Scheme Advisory Board survey of LGPS Local Pension Boards in 2017.

Access to Agendas

- 2.2. The guidance suggests that Boards need access to both the open and closed areas of the agenda of the pensions committee in order to perform their functions effectively. The Board currently has access to the Part II (closed) minutes and can request agenda papers if required.

Cross Observation / Meetings of both chairs

- 2.3. CIPFA consider that it is good practice for Board members to attend the full meeting of the Pension Panel and similarly the Chairman of the Panel to attend meetings of the Board. This may assist with context when reviewing the agenda and minutes.

Section 151 officers

- 2.4. The guidance proposes that there is value in the Chairman of the Board having a regular meeting with the section 151 officer. The section 151 officer is also the co-Scheme Manager for the West Sussex Fund this is also relevant.

Relationship with other external suppliers of services to the Fund

- 2.5. As West Sussex use a third party administrator this is particularly important and the key focus should be on data quality. The guidance suggests that the Board could examine any service level agreement (SLA) the Authority has in place with the provider and determine what reports it needs from its administrator in order to fulfil its functions, including KPIs.
- 2.6. The Board currently receive information on performance against key indicators and additional information it has requested.

3. Board Structure and operations

Terms Of Reference

- 3.1 The guide recommends that the Terms of Reference (TOR) should be reviewed on an annual or biennial basis. This is already in place by the Board's approval of its Terms at its first meeting of the year.

Number of Board Members

- 3.2 The guide has advised that the two employers and two member representatives is the minimum requirement and is the most vulnerable arrangement. Following the review of the TOR the Board agreed to increase its membership to three employer representatives and three member representatives with an independent Chairman.

Frequency of meetings

- 3.3 Both The Pension Regulator and the Scheme Advisory Board suggest four meetings per annum as a suitable number. The number of meetings the Board has now increased to four. This is in line with the number of meetings for the Pension Panel.

Performance of the Board

- 3.4 The guide suggests consideration should be given to how effectively the Board works. There are not any formal standard KPIs for Local Pension Boards, although some have been adopted locally. Within the governance structure of the West Sussex Fund it would be for Governance Committee to

decide if the Pension Advisory Board is carrying out its functions. A report is taken annually to the Governance Committee on the work of the Board and its plan for work through the year. The Chairman has also provided a template to review member performance.

4. The Scheme Advisory Board

- 4.1 The administering authority should notify the SAB of any changes to board membership or contact details. This is undertaken by officers.

5. Work Programmes for the PAB

- 5.1 The guidance suggests that over time, the agenda for the Board should consist of items it previews for the Pensions Panel and that Panel and Board meetings should be in line to leave time for recommendations to be considered. This is one of the reasons behind the decision to increase the number of meetings each year of the PAB to four.
- 5.2 The guidance also suggests a number of items that should be on the annual work programme including an Annual Report of the Board, updates on any relevant legislative requirements, the TPR priorities, requests from the Pensions Panel and a review of the Code of Practice 14. The Board could review its work plan to ensure it includes the recommended items.

6. Training

- 6.1 The guidance states that it is good practice for Board members to complete the TPR online Public Service toolkit. This is a requirement for West Sussex PAB members as set out in the Training Strategy presented elsewhere on the agenda.

7. Investment Pools

- 7.1 The guidance suggests that Board should satisfy itself that the governance of the pools and the processes that have been followed. The guide refers to both CIPFA's Investment Pooling Governance Principles and guidance from the SAB on this matter.

8. Responsible Investment

- 8.1 The MHCLG guidance issued in respect of Regulation 7 (2) (e) of the LGPS (Management and Investment of Funds) Regulations 2016 states that when forming their Investment Strategy Statement Funds need to explain the extent that the views of the local pension board have been taken into account for non financial factors. In order to provide a view the PAB needs to ensure it has the relevant knowledge and understanding which could be facilitated by the Authority or by members of the PAB seeking their own information.

Katharine Eberhart

Director of Finance, Performance and Procurement

Contact: Vickie Hampshire, Finance Manager Pension Fund – Governance
033 022 23386

Appendices

Appendix A - Legislation and functions relating to Local Pension Boards
Appendix B - CIPFA Guide for Local Pension Boards

Background Papers

None

Legislation and functions relating to Local Pension Boards

1.1 Public Services Pensions Act 2013 (PSPA 2013)

LGPS regulations must provide for the establishment of a board with responsibility for assisting the scheme manager in relation to the following matters;

- Securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it.
- Securing compliance with requirements imposed in relation to the scheme and any connected scheme by TPR.
- Such other matters as the matters as the scheme regulations may specify.

The above and further requirements under PSPA 2013, were subsequently enacted within the LGPS Regulations 2013.

1.2 Relevant extracts from the Local Government Pension Scheme Regulations 2013 (as amended)

106. (1) Each administering authority shall no later than 1 April 2015 establish a pension board ('a local pension board') responsible for assisting it

(a) to secure compliance with:

- i. These Regulations
- ii. Any other legislation relating to the governance and administration of the Scheme and any connected scheme
- iii. Any requirements imposed by The Pensions Regulator in relation to the Scheme and any connected scheme, and

(b) to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

106. (7) Except where a local pension board is a committee approved under paragraph (2), no member of a local pension board shall have a right to vote on any question unless that member is an employer representative or a member representative.

106. (8) A local Pension board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.

106. (9) The expenses of a local pension board are to be regarded as part of the costs of administration of the fund held by the administering authority.

1.3 The LGPS (Investment and Management of Funds) Regulations 2016

- Regulation 8 - This enables the secretary of state to issue a direction if he is satisfied that an administering authority is failing to act in accordance with this guidance.
Before issuing any direction, the secretary of state must consult the administering authority concerned and before reaching a decision, must have regards to all relevant evidence including reports under Section 13 (4) of the Public Service Pensions Act 2013, reports from the scheme advisory board or from the relevant **local pension board**, and any representations made in response to the consultation with the relevant administering authority.

Pension Advisory Board

21 November 2018

Review of Pension Fund policy documents

Report by Director of Finance, Performance and Procurement

Summary

Following the recent review of the Terms of Reference of the Pension Advisory Board it was been agreed to update the regular agenda items including the review of policy documents.

Recommendation(s)

- (1) That the Board note the register of policy documents
- (2) That the Board feedback on the policies presented at the meeting

1. Introduction

- 3.1. The Pension Regulator Code of Practice 14 requires that –

Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme

- 3.2. Under the recent review of the Boards Terms of Reference it was agreed that the regular agenda items would be increased to include, amongst others, a review of policy documents.
- 3.3. By reviewing policy documents on a regular basis the Board will be fulfilling their role in supporting the Scheme Manager by ensuring compliance with regulations. This would also assist members in ensuring they have the relevant knowledge and understanding.

2. Pension Fund policy documents

- 3.1. The Pension Fund is required by law to keep and maintain a number of policy documents.
- 3.2. A list of all Pension Fund Policy Documents is included at Appendix A.

- 3.3. It is proposed that as policies are reviewed by Officers they will be presented to the Board for review against Regulations or Guidance.
- 3.4. At the last meeting it was agreed that the Governance Policy and Compliance Statement and the Internal Dispute Resolution Procedure were presented. These are included in Appendix A and B for review. The relevant pieces of legislation are included within the cover sheet for each Appendix.

3. Recommendation

- 3.1. That the Board note the register of policy documents
- 3.2. That the Board feedback on the policies presented at the meeting

Katharine Eberhart

Director of Finance, Performance and Procurement

Contact: Steve Harrison 033 022 23391

Appendices

Appendix A – List of All Policy Documents

Appendix B – Governance Policy and Compliance Statement

Appendix C – Internal Dispute Resolution Procedure

Background Papers

None

List of All Policy Documents

| POLICY | Policy Requirement | Published | How often it should be reviewed | Last reviewed by PAB | Next date of review by Officers |
|---|---|--|---------------------------------|----------------------|---------------------------------|
| Abatement policy | Regulation 70 LGPS (administration) Regulations 2008 | Website https://www.westsussex.gov.uk/media/10462/policy_for_abatement.pdf | Every 3 years | | May-20 |
| Actuarial valuation | Regulation 62 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/9537/lgps_wscs_pension_fund_valuation_report.pdf | Every 3 years | | Mar-19 |
| Administration Strategy | Regulation 59 LGPS Regulations 2013 | Removed from website as currently under review. Will be published once administration service transfer is complete | Annually | | Oct-18 |
| Annual Report | Regulation 57 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/11930/lgps_annual_report_2017-18.pdf | Annually | | Nov-18 |
| Breaches policy | Regulation 70 Pensions Act 2004 | Website https://www.westsussex.gov.uk/media/11930/lgps_annual_report_2017-18.pdf | Every 2 years | | Oct-19 |
| Communications Policy Strategy | Regulation 61 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/11930/lgps_annual_report_2017-18.pdf | Annually | | Oct-18 |
| Conflict of Interest | Regulation 5(4) and 5(5) of the Public Service Pension Act 2013 | Website – County Council Constitution http://www2.westsussex.gov.uk/ds/constitution/part5-1.pdf | Every 3 years | | Apr-21 |
| Employers Guide - West Sussex LGPS ¹ | LGPS Regulations 2013 (SI 2013/2356) | Website https://www.westsussex.gov.uk/media/6223/employer_guide_west_sussex_lgps.pdf | Every 3 years | | Oct-17 |
| Funding Strategy Statement | Regulation 58 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/9536/lgps_funding_strategy_statement.pdf | Every 3 years | | Mar-19 |
| Governance Policy and Compliance Statement | Section 55 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/7105/governance_policy_and_compliance_statement.pdf | Annually | Nov 18 | Mar-19 |

¹ The review of the Employer Guide has been delayed due to change in Pension Administration provision.

| POLICY | Policy Requirement | Published | How often it should be reviewed | Last reviewed by PAB | Next date of review by Officers |
|--|---|--|---------------------------------|----------------------|---------------------------------|
| IDRP (Internal Dispute Resolution Procedure) | Pensions Act 2004 | Website https://www.westsussex.gov.uk/media/11028/internal_dispute_resolution_procedure.pdf | Every 3 years | Nov 18 | Mar-19 |
| Investment Strategy Statement | LGPS Regulations (Management and Investment of Funds) 2016 | Website https://www.westsussex.gov.uk/media/11028/internal_dispute_resolution_procedure.pdf | Every 3 years | | Jul-20 |
| LGPS Administering Authority Discretions | Regulation 60 LGPS Regulations 2013 | Website https://www.westsussex.gov.uk/media/10917/lgps_admin_authority_discretions.pdf | Every 4 years | July 18 | Mar-22 |
| LGPS Privacy Notice | Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679 | Website https://www.westsussex.gov.uk/media/8756/lgps_privacy_notice.pdf | Every 3 years | July 18 | Mar-21 |
| Risk Register | Part 4 Section 4 of WSCC Constitution | Website – within Business Plan https://www.westsussex.gov.uk/media/10104/lgps_business_plan_2017.pdf | Annually | | Apr-19 |

Regulatory Background: Governance Policy and Compliance Statement as required under Regulation 55 of The Local Government Pension Scheme Regulations 2013

1. An administering authority must prepare a written statement setting out-
 - a) whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority;
 - b) if the authority does so-
 - i the terms, structure and operational procedures of the delegation,
 - ii the frequency of any committee or sub-committee meetings,
 - iii whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights;
 - c) the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
 - d) details of the terms, structure and operational procedures relating to the local pension board established under regulation 106 (local pension boards: establishment).
2. An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph.
3. Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate.
4. An administering authority must publish its statement under this regulation, and any revised statement.

Governance Policy & Governance Compliance Statement

This is the Governance Policy and Governance Compliance Statement for the West Sussex Local Government Pension Scheme as required under Section 55 of the Local Government Pension Scheme Regulations 2013. The County Council is responsible for administering the West Sussex County Council Pension Fund. It has delegated responsibility for this to the Pensions Panel and the Pension Advisory Board.

The Local Government Pension Scheme Regulations 2013 require that the administering authority sets out whether it delegates its functions in relation to maintaining a pension fund, the frequency of meetings, terms of reference and details of representation and voting rights on Committees.

As required by the Regulations, the Statement covers:

- Whether the Administering Authority delegates its functions in relation to maintaining a pension fund to a committee, sub-committee or officer of the Authority;
- The frequency of any committee/sub-committee meetings;
- The terms of reference, structure and operational procedures in relation to the use of the delegated powers; and
- Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

The Regulations also require that an administering authority must:

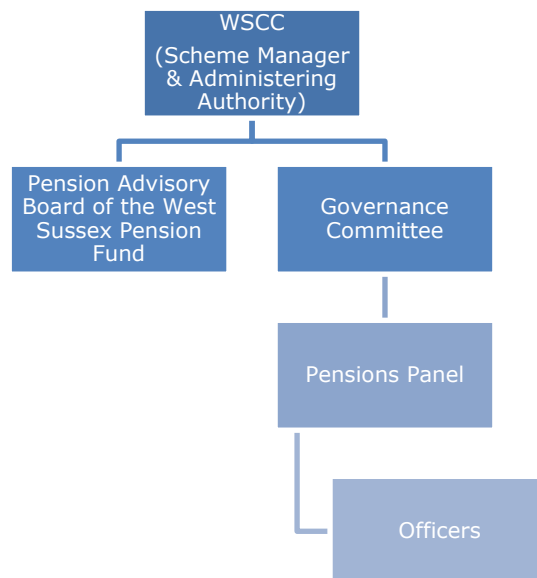
- Keep a statement under review, and make such revisions as are appropriate.
- Consult such persons as it considers appropriate before preparing or revising a statement.
- Publish its statement under this regulation, and any revised statement.

Administering authorities are required to report the extent of compliance against a set of best practice governance principles laid down in statutory guidance. The response relating to the West Sussex Pension Scheme is set out in this statement.

Where additional information is available, a [hyperlink](#) has been included within the text.

Delegation of functions in relation to maintaining a pension fund to a committee, sub-committee or officer of the Authority.

Under section 102 of the Local Government Act 1972, it is for the administering authority to decide upon the number of members of a committee and their terms of office. Under the cabinet structure in local government, management of the pension fund is a non-executive function and this is reflected in the West Sussex governance structure that is set out below. Further details can be found in the West Sussex Constitution¹.



The role and membership of the Committees / Board identified above have been covered on the following pages.

¹ <http://www2.westsussex.gov.uk/ds/constitution/part3.pdf>

The Role of Officers

The chief officers of West Sussex County Council have certain statutory and formal responsibilities. Executive powers are delegated to named chief officers under scheme of delegation which sets the parameters within which the officers can implement Board and Committee decisions and operate the day-to-day business of the Pension Fund.

Governance Committee

The terms of reference, structure and operational procedures in relation to the use of the delegated powers

The Terms of Reference for Governance Committee include the following items relating to the Pension Fund:

- To exercise the powers and duties of the County Council in relation to the Local Government Superannuation Acts and Regulations made thereunder, including decisions on investment, under the Local Authority (Discretionary Payments) Regulations 1996 and the Local Government Pension Scheme Regulations 1997.
- In relation to the Pension Advisory Board to:
 - a) Approve the job description and remuneration of and oversee the appointment of the independent Chairman of the Pension Advisory Board;
 - b) Review the tenure of membership of a Board member in the event of consistent non-attendance on the advice of the Director of Law, Assurance and Strategy;
 - c) Remove a member of the Board during a term of appointment for reasons other than their ceasing to be eligible.
 - d) To approve the Business Plan and budget of the Pension Advisory Board.

The frequency of any committee/sub-committee meetings

The Committee meets six times per year.

Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

The Committee comprises nine members of the County Council including the Chairman of the Council who is ex-officio Chairman. There are no other organisations or groups represented. The committee is politically proportionate.

Elected members have legal responsibilities for the prudent and effective stewardship of LGPS pension funds and, in more general terms, have a clear fiduciary duty to participating employers, local tax payers and scheme beneficiaries, in the performance of their functions. Although there is no one single model in operation throughout the 89 fund authorities in England and Wales, most funds are managed by a formal committee representing the political balance of that particular authority, as is the case for West Sussex.

Pensions Panel

The terms of reference, structure and operational procedures in relation to the use of the delegated powers

As illustrated in the diagram above, the Pensions Panel is a sub-committee of the Governance Committee.

The Terms of Reference for the Pensions Panel are set out below:

- To be responsible to the Governance Committee for:
 - a) Appointment of professional and specialist investment advisers and managers on a consultancy basis.
 - b) Consideration of the recommendations of the advisers and managers including the Fund's investment strategy.
 - c) Determination of and overseeing the County Council's investment policy.
 - d) Consideration of and response to key scheme governance, funding and administration issues, including responses to statutory consultations.
 - e) Overseeing the management of the Pension Fund investments.
 - f) Monitoring the Fund's performance.
 - g) Ensuring that arrangements are in place for consultation and communication with stakeholders as necessary.
 - h) Establishing member groups to review aspects of investment strategy or to undertake work on key themes and to report back to the Panel.

Under the Constitution, Members of the Pensions Panel are required to acquire and maintain an appropriate level of expertise, knowledge and skills as set out by CIPFA in order to remain members of the Panel.

The Pension Fund's Business Plan sets out in more detail how the Terms of Reference are applied.

The frequency of any committee/sub-committee meetings

The Pensions Panel meets formally each quarter.

The frequency of any member groups established to review aspects of investment strategy or to undertake work on key themes and to report back to the Panel will be based on the remit.

Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

The number of stakeholders affected by the local management of the pension scheme and governance of pension funds is vast and it is accepted that it would be impractical to expect individual committee structures to encompass every group or sector that has an interest in the decisions that fall to be made under the scheme's regulations. It is against this background that the Fund has included representatives from the major employers (District Councils and Scheduled Bodies) on the Pensions Panel, as well as an employee representative.

The Pensions Panel comprises seven members of the County Council and three representative members. This traditionally includes the Cabinet Member for Finance, although not formally required.

All representatives on the Pensions Panel are entitled to vote.

It is not part of the Administering Authority's remit to administer the selection process for the borough and district, scheduled body or employee members sitting on the Pensions Panel or to ensure their attendance at meetings, unless they wish to do so. Notwithstanding this as far as possible, employer representatives are expected where possible to have a democratic mandate in addition to the mandate from their governing body or equivalent.

It should be noted that representatives on the Pensions Panel are not appointed to represent their own local, political or private interest. The fiduciary duty to employers, taxpayers and scheme beneficiaries must always be put before the interests of individuals, individual groups or sectors represented on the Panel.

The term of office of representative members will be equivalent to the length of the election cycle of the body of which they are an elected member. The usual maximum length of representative members will be three terms.

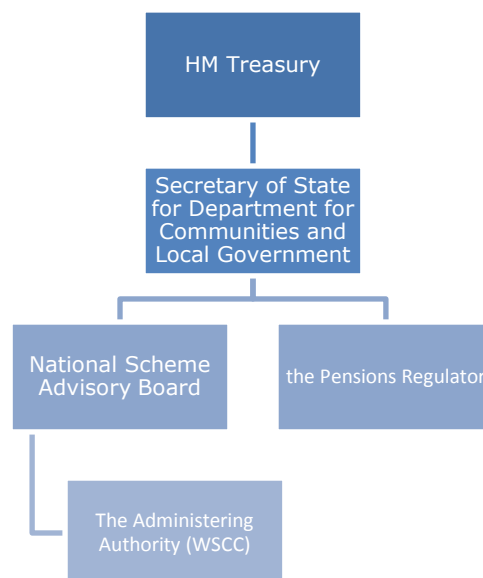
If a member fails to attend three consecutive meetings of the Panel, the presumption is that the Chairman of the Pensions Panel will request a change of membership.

The terms of reference, structure and operational procedures in relation to the use of the delegated powers

The Public Service Pensions Act (2013) required all Administering Authorities to introduce a Local Pension Board to assist the Scheme Manager.

The Pension Advisory Board will ensure the Scheme Manager effectively and efficiently complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator. The Board will also ensure that it complies with the knowledge and understanding requirements in the Pensions Regulator's Code of Practice.

In addition to the local structure, the Pension Advisory Board is accountable to the Pensions Regulator and the National Scheme Advisory Board. This is illustrated below:



The Pensions Regulator 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 administering authority which operate to include all of the functions of the Council and its advisers).

The role of the Pension Advisory Board is set out below:

- Assist West Sussex County Council as Scheme Manager;
- To secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
- To secure compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
- In such other matters as the scheme regulations may specify.

The principal functions of the Pension Advisory Board shall include:

- Seeking assurance that due process is followed with regard to Pensions Panel decisions.
- Considering the integrity and soundness of Pensions Panel decision making processes

- Seeking assurance that administration performance is in compliance with the Administration Strategy
- Considering the effectiveness of communication with employers and members including the Communication Strategy
- Considering and commenting on Internal Audit recommendations
- Consideration of External Auditor reports

Any complaint or allegation of breach of due process brought to the attention of the Pension Advisory Board shall be dealt with in accordance with the Code of Practice as published by the Pensions Regulator.

The frequency of any committee/sub-committee meetings

The Board will meet at least three times per year. One meeting will be the Annual General Meeting.

Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

The Pension Advisory Board consists of five members:

- two employer representatives (to represent all employers within the Scheme)
- two scheme members representatives (to represent all members of the Scheme (active, deferred and pensioner))
- an independent member (to act as Chairman)

The employer and scheme member representatives can vote. The Independent Chairman cannot vote.

The term of office for employer and scheme member representatives is 4 years. This can be extended following reselection up to a maximum of three terms.

Pension Advisory Board members must meet key attendance and training requirements to retain their membership during this period.

A member must attend at least two meetings per year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the Governance Committee on advice from the Director of Law, Assurance and Strategy.

The Pension Regulator's Code of Practice must be complied with.

The members of the Board other than the Chairman shall be appointed by the Chairman with advice from the Director of Finance, Performance & Procurement and the Director of Law, Assurance and Strategy. Nominations will be invited with a view to maximising the opportunity for all scheme members and employers to participate in nominating or seeking nomination for the other panel appointments. All regular communications, such as the pension newsletters and the website will be used to promote the opportunity and invite participation in nomination and approval of candidates through an open and transparent process.

The Chairman will be the independent member appointed for an initial term of 2 years by the Governance Committee, from a short list of nominees drawn up by the Director of Finance, Performance and Procurement and the Director of Law, Assurance and Strategy.

Governance Compliance Statement

Administering authorities are required to report the extent of compliance against a set of best practice governance principles laid down in statutory guidance. The Fund's response is set out below:

| Structure | |
|---|---|
| The Management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council | Response: Pensions Panel is a delegated committee of Governance Committee and has clear terms of reference. |
| That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee | Response: Membership of the Pensions Panel includes a District Council, Scheduled Bodies and Employee representative. |
| That where a secondary committee or panel has been established, the structure ensures effective communication across both levels. | Response: Members of the Pensions Panel also sit on Governance Committee. |
| That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel. | Response: Members of the Pensions Panel also sit on Governance Committee. |
| Representation | |
| That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include <ul style="list-style-type: none"> employing authorities scheme members (including deferred and pensioner scheme members) where appropriate, independent professional observers expert advisers (on an ad hoc basis)² | <p>Response: Pensions Panel includes a District Council, Scheduled Bodies and Employee representative.</p> <p>The role of the independent adviser includes governance compliance monitoring and offering a practical approach to address and control risk. The Independent Adviser attends all Pension Panel meetings.</p> |
| That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights. | <p>Response: District Council, Scheduled Bodies and Employee representative all receive the same meeting papers and training as the Administering Authority representatives and have full opportunity to contribute to the decision making process.</p> <p>All members can vote.</p> |
| Selection and Role of Lay Members | |
| That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee. | Response: This is explicitly covered in the Fund's Governance Policy Statement. |
| That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the | Response: Declarations of Interest are required at each Pensions Panel meeting and recorded on the minutes for that meeting. |

² The guidelines envisage 'an independent professional observer could also be invited to participate in the governance arrangement to enhance the experience, continuity, knowledge, impartiality and performance of committees or panels which would improve the public perception that high standards of governance are a reality and not just an aspiration. Moreover the independent observer would be ideally placed to carry out independent assessments of compliance against the Myners' principles, both in terms of the 2004 follow up report and the latest NAPF consultation on the next steps, together with other benchmarks that the fund authority's performance is measured against. The management of risk is a cornerstone of good governance and a further role for the independent observer would be to offer a practical approach to address and control risk, their potential effect and what should be done to mitigate them and whether the costs of so doing are proportionate. It is accepted however, that certain fund authorities may have devised, or wish to devise other ways of ensuring the effective scrutiny of their decision-making and performance and it should therefore be borne in mind that the appointment of an independent observer is not to be taken as an absolute requirement in this guidance, provided that authorities are satisfied that their alternative arrangement would match the sort of standards rehearsed in the NAPF's follow-up report on the Myners Principles (recommendation 7 – trustees should periodically undertake formal assessments of their own performance and that of the Board) and the government's response to it published in March 2008.'

| | |
|--|--|
| agenda. | |
| Voting | |
| The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees. | Response: All members can vote. |
| Training / Facility Time / Expenses Voting | |
| That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process. | Response: The Council is committed to introductory and ongoing training of Panel and Board members. In addition to the LGE Trustee Training, which is offered to all Panel and Board members, training sessions are arranged following Panel and Board meetings which cover specific investment or governance issues. |
| That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum. | All training undertaken and planned is reported annually in the Training Register which is appended to the Business Plan and Annual Report. |
| That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken. | Response: A formal training plan will be developed for Pension Panel members. |
| Meetings | |
| That an administering authority's main committee or committees meet at least quarterly. | Response: The Governance Committee meets quarterly. |
| That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits. | Response: The Pensions Panel meets quarterly. |
| That an administering authority who does not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented | Response: District Council, Scheduled Bodies and Employee representative attend all Pensions Panel meetings. The Fund's Communication Policy Statement sets out arrangements for representations to be made by all key stakeholders. |
| Access | |
| That subject to any rules in the Council's constitution, all members of main and secondary committees or panels has equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee. | Response: District Council, Scheduled Bodies and Employee representative receive all Panel papers, documents and advice consider at the meetings. |
| Scope | |
| That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements | Response: The Pensions Panel terms of reference include non investment issues. |
| Publicity | |
| That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements. | Response: The Fund's Governance Policy Statement is published on the Fund's website. |

Regulatory Background: Internal Dispute Resolution Procedure as required under the Pensions Act 2004

Requirement for dispute resolution arrangements

1. The trustees or managers of an occupational pension scheme must secure that dispute resolution arrangements are made and implemented.
2. Dispute resolution arrangements are such arrangements as are required by this section for the resolution of pension disputes.
3. For this purpose a pension dispute is a dispute which—
 - a) is between—
 - i. the trustees or managers of a scheme, and
 - ii. one or more persons with an interest in the scheme,
 - b) is about matters relating to the scheme, and
 - c) is not an exempted dispute.
4. The dispute resolution arrangements must provide a procedure—
 - a) for any of the parties to the dispute mentioned in subsection (3)(a)(ii) to make an application for a decision to be taken on the matters in dispute ("an application for the resolution of a pension dispute"), and
 - b) for the trustees or managers to take that decision.
5. Where an application for the resolution of a pension dispute is made in accordance with the dispute resolution arrangements, the trustees or managers must—
 - a) take the decision required on the matters in dispute within a reasonable period of the receipt of the application by them, and
 - b) notify the applicant of the decision within a reasonable period of it having been taken.
6. The procedure provided for by the dispute resolution arrangements must include the provision required by section 50B.
7. Dispute resolution arrangements under subsection (1) must, in the case of existing schemes, have effect on and after the date of commencement of this section in relation to applications made on or after that date.
8. This section does not apply in relation to an occupational pension scheme if—

- a) every member of the scheme is a trustee of the scheme,
- b) the scheme has no more than one member, or
- c) the scheme is of a prescribed description.

9. For the purposes of this section a dispute is an exempted dispute if—

- a) proceedings in respect of it have been commenced in any court or tribunal,
- b) the Pensions Ombudsman has commenced an investigation in respect of it as a result of a complaint made or a dispute referred to him, or
- c) it is of a prescribed description.

10. If, in the case of an occupational pension scheme, the dispute resolution arrangements required by this section to be made—

- a) have not been made, or
- b) are not being implemented,

section 10 applies to any of the trustees or managers who have failed to take all reasonable steps to secure that such arrangements are made or implemented.

Internal Dispute Resolution Procedure (IDRP)

Enquiries

If you are not sure which benefits you are entitled to, or you have a problem with your benefits, please either phone the number on the letter your employer sent you, or the administering authority direct at:

LGPS Pensions - West Sussex County Council (WSSCC)
PO Box 304
Darlington
DL1 9NS

Telephone: 01243 642148

E-mail: pensions@westsussex.gov.uk

They will try to deal with the problem as quickly and efficiently as possible. The administering authority is the authority that looks after the pension fund.

Many problems that members have are, in fact, resolved in this way. They may be caused by misunderstandings or wrong information, which can be explained or put right easily. An informal enquiry of this kind may save you a lot of time and trouble.

Decisions

From the day a person starts a job with an employer, to the day when benefits or dependant's benefits are paid, the employer and the Pension Scheme administering authority have to make decisions under the Pension Scheme rules that affect you or your dependants. When you (or your dependants) are notified of a decision you should check, as far as you can, that it is based on the correct details and that you agree with the decision.

Complaints

If you are not satisfied with any decision affecting you made in relation to the scheme, you have the right to ask for it to be looked at again under the formal complaint procedure. You also have the right to use the procedure if a decision should have been made by your employer or administering authority, but it hasn't been. The complaint procedure's official name is the 'Internal Dispute Resolution Procedure' (IDRP).

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

The formal complaint procedure has two stages. Many complaints are resolved at the first stage. Any complaint you make is treated seriously, and considered thoroughly and fairly.

You can ask someone to take your complaint forward on your behalf. This could be, for instance, a trade union official, welfare officer, your husband, wife or partner, or a friend.

No charge is made at any stage for investigating a complaint under the IDRP. But expenses that you will have to meet are your own (and/or your representative's) time, stationery and postage.

At any stage during the formal complaint procedure you can contact The Pensions Ombudsman (TPO) for information and advice.

Please remember that, before going to the trouble of making a formal complaint, your Pensions Section will welcome the opportunity to try to resolve the matter about which you are dissatisfied in an informal way. It may be worth checking again that they know you are concerned, and why.

First Stage

If you need to make a formal complaint, you should make it:

- in writing, using the application form
- normally within 6 months of the day when you were told of the decision you want to complain about

Your complaint will be considered carefully by a person nominated by the body that took the decision against which you wish to complain. This guide calls and legislation refers to them as the 'Adjudicator'. That person is required to give you their decision in writing.

If the Adjudicator's decision is contrary to the decision you complained about, the employer or administering authority that made the original decision will now have to deal with your case in accordance with the Adjudicator's decision.

If the decision you complained about concerned the exercise of a discretion by the employer or administering authority, and the Adjudicator decides that the employer or administering authority should reconsider how they exercised their discretion, they will be required to reconsider their original decision.

Second Stage

You can ask the pension scheme administering authority to take a fresh look at your complaint in any of the following circumstances:

- you are not satisfied with the Adjudicator's first stage decision
- you have not received a decision or an interim letter from the Adjudicator, and it is 3 months since you lodged your complaint
- it is one month after the date by which the Adjudicator told you (in an interim letter) that they would give you a decision, and you have still not received that decision

This review would be undertaken by a person not involved in the first stage decision.

You will need to send the administering authority your complaint in writing. The time limits for making the complaint are set out in the [table below](#). The administering authority will consider your complaint and give you their decision in writing.

If you are still unhappy following the administering authority's second stage decision, you can take your case to the Pensions Ombudsman provided you do so within 3 years from the date of the original decision (or lack of a decision) about which you are complaining.

Click on the [application form](#) to complete.

Additional Help

Pensions Ombudsman

At any time if you are having difficulties in sorting out your complaint, you may wish to contact TPO. TPO can provide free advice and information to explain your rights and responsibilities.

TPO would need copies of all relevant documents, including the correspondence about your complaint under the IDRP and how it was dealt with.

The Ombudsman investigates complaints and settles disputes about pension schemes. However, before contacting the Ombudsman, the Pensions Ombudsman's Office would normally expect you to have:

- been given first stage and second stage internal dispute resolution procedure decisions by the Local Government Pension Scheme and;

The Pensions Ombudsman is completely independent and acts as an impartial adjudicator. His role and powers have been decided by Parliament.

There is no charge for using the Pensions Ombudsman's services.

The Ombudsman cannot investigate matters where legal proceedings have already started but, subject to that, he can settle disputes about matters of fact or law as they affect Occupational Pension Schemes.

He can also investigate and decide any complaint or dispute about the maladministration of a pension scheme. "Maladministration" is about the way that a decision is taken, rather than about the merits of the decision. Examples of maladministration would be unreasonable delay, neglect, giving wrong information and discrimination.

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

You must refer your complaint to the Ombudsman within 3 years of the event about which you are complaining, or within 3 years of when you first became aware of the problem.

The Ombudsman's address is:

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200

Fax: 020 7821 0065

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Time limits under the Internal Dispute Resolution Procedure (IDRP)

| Your situation | To complain to | Time limit |
|--|--|--|
| You have received a decision on your benefits under the pension scheme from your employer/administering authority, and there seem to be good grounds for complaining. | The Adjudicator under the first stage of the procedure. | 6 months from the date when you were notified of the decision.* |
| You have received a first stage decision on your complaint from the Adjudicator, but you are not satisfied. | The relevant administering authority under the second stage of the procedure. | 6 months from the date for the nominated person's decision. |
| You made your complaint in writing to the Adjudicator, with all the information they needed but, 3 months later, you have not received their decision on your complaint or any interim reply. | The relevant administering authority under the second stage of the procedure. | 9 months from the date when you submitted your complaint. |
| You received an interim reply to your complaint to the Adjudicator, within 2 months of applying to them. Their reply promised you a decision by a specified date but, one month after the specified date, you still have not received their decision. | The relevant administering authority under the second stage of the procedure. | 7 months from the date by which you were promised you would receive a decision. |
| Your complaint is that your employer or administering authority has failed to make any decision about your benefits under the pension scheme. | The Adjudicator under the first stage of the procedure. | 6 months from the date when the date when the employer or administering authority should have made the decision.** |
| Your complaint went to the administering authority under the second stage of the procedure. You received their decision but you are still not satisfied. | The Pensions Ombudsman, after consulting with the Ombudsman's advisory service beforehand. | 3 years from the date of the original decision about which you are complaining. |
| You received an interim reply to your second stage complaint to the administering authority, within 2 months of applying to them. Their reply promised you a decision by a certain date but, by that date, you still have not received their decision. | The Pensions Ombudsman, after consulting with the Ombudsman's advisory service beforehand. | 3 years from the date of the original decision about which you are complaining |

* The Adjudicator can extend the 6 month time limit for a reasonable period where there are special circumstances.

** The Adjudicator can extend the 6 month time limit for a reasonable period where there are special circumstances.

Application under the Internal Dispute Resolution Procedure

You can use this form:

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

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

1. Member's details :

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

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

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

| | |
|---------------------------|--|
| Full Name | |
| Address | |
| Date of Birth | |
| Employer | |
| National Insurance Number | |

2. Dependant's details:

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

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

| | |
|------------------------|--|
| Full Name | |
| Address | |
| Date of Birth | |
| Relationship to member | |

3. Representative's details:

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

| | |
|--|--|
| Full Name | |
| Address | |
| The address response letters should be sent to | |

4. Your complaint

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

If there is not enough space, please go on to a separate sheet and attach it to this form.

Remember to write your name and national insurance number at the top of any separate sheet if you are a member. Or, if you are not a member, put the member's name and national insurance number at the top of any separate sheet.

| | |
|--|--|
| | |
|--|--|

5. Your signature

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

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

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

PLEASE SEND THIS FORM TO:

Stage 1: Principal Pension Consultant
(Administration & Employers)
Employer West Sussex County Council
County Hall
Chichester
PO19 1RG

Stage 1: Principal Pension Consultant
(Administration & Employers)
Administering Authority West Sussex County Council
County Hall
Chichester
PO19 1RG

Stage 1: Pensions Operations Manager
Pensions LGPS Pensions – WSCC
PO Box 304
Darlington
DL1 9NS

Stage 2: Head of Law & Governance,
Finance & Assurance
Administering Authority West Sussex County Council
County Hall
Chichester
PO19 1RG

Pension Advisory Board

21 November 2018

Administration Procedures and Performance

Report by Director of Finance, Performance and Procurement

Summary

This report provides a high level view of the administration process and performance in support of the Pension Fund and its members, active, deferred and retired.

Recommendation(s)

That the Pension Advisory Board receives the report and confirms any further information that they require.

1. Background and Context

- 1.1 As the Board are aware, Capita provide the Pension Administration Service for the West Sussex Local Government Pension Fund. The administration team are based in Chichester and the County Council works closely with Capita.

2. Compliance with Scheme Regulations

- 2.1. The Terms of Reference for the Pension Advisory Board includes assisting the Scheme Manager to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it. The following projects are therefore considered relevant to note work being undertaken to comply with changes.

Amendment Regulations

- 2.2. In October 2018 the Ministry of Housing, Communities and Local Government launched a policy consultation to set out proposals to make amendments to the Regulations.
- 2.3. The consultation covered amendments to:
 - Bring dependents benefits in line with that of a widow in cases of same-sex marriage or civil partnership. This was in response to the Supreme Court judgement of Walker v Innospec.
 - To give Secretary of State Regulatory powers to give statutory guidance, when an amendment to the Regulations is required following a Case law/Supreme Court outcome.

- To correct an oversight in the May 2018 amendment Regulations, to allow all deferred members over the age of 55 the ability to draw their pensions early with the appropriate actuarial reductions.
- 2.4. Officers are drafting a response to the consultation. The consultation closes on 29th November.

Scheme Return

- 2.5. The Business Plan refers to the submission of the Pension Regulator's (tPR) Scheme Return being in progress. The return was submitted on behalf of the Scheme Manager on 5 November 2018.
- 2.6. This year was the first year where we needed to include a score against Common and Conditional data. The Common data was scored in January 2018. The Conditional data is in the process of being scored.
- 2.7. A copy of the Scheme return can be provided to the Board on request.

Governance and Administration survey

- 2.8. The Pension Regulator (TPR) launched their governance and administration survey of public sector pension schemes on 5 November 2018.
- 2.9. The closing date to respond is 30 November 2018.
- 2.10. The survey will be completed by the Scheme Manager and a copy is attached at Appendix A to allow the Board to have sight and provide any comment ahead of the submission date.

3. Performance

- 3.1. The principal functions of the Board's include "seeking assurance that administration performance is in compliance with the Administration Strategy". The following items are considered relevant in respect of compliance of the Fund and its employers in line with the Strategy and Regulations.
- 3.2. The Administration Strategy has been removed during the period of transition.
- 3.3. Details of the caseload performance reported against target are covered in the Pension Administration update.
- 3.4. At the request of the Pension Advisory Board:
- Work completed outside of target has been included in Appendix B.
 - Analysis of contribution payment receipts is shown in Appendix C.
 - Details of the Membership Movements (including transfers out and opt outs figures) are shown in Appendix D.

Compliments and Complaints

- 3.5. Details of the compliments and complaints received through the Pensions Team this information is provided to Officers on a monthly basis, which allows for them to identify any trends and service improvements that may be required.
- 3.6. A copy of the summarised report is attached at Appendix E.

4. Communications

- 4.1. The principal functions of the Board's includes "Considering the effectiveness of communication with employers and members including the Communication Strategy". The following items are considered relevant in respect of the Board supporting effective communication.

Annual Benefit Statements

- 4.2. The statutory deadline for production of Annual Benefit Statements is 31st August each year. Capita produce these on the Funds behalf.
- 4.3. Member statements were made available to members via the Hartlink Online Portal on 17 August 2018 and requested paper statements were despatched by 31 August 2018 (for all those who requested a paper copy prior to 30 August). A further re-run of member statements was completed through October in response to investigation and resolution of ABS queries.

Katharine Eberhart
Director of Finance, Performance
and Procurement

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

Background

[Walker v Innospec Supreme Court Judgement](#)

Appendices

- Appendix A – The Pension Regulator's Pension Service Governance and Administration Survey 2018
- Appendix B – Work completed outside of target: Aging Analysis
- Appendix C – Analysis of contribution payment receipts
- Appendix D – Membership Movements, Transfers Out and Opt Outs
- Appendix E - Compliments and Complaints

Background Papers

None

The Pension Regulator's Pension Service Governance and Administration Survey 2018

INTRODUCTION

This document is intended to be used as a guide to help you gather the information required for the survey. Please note, however, that we need you to complete the questionnaire through the [online survey link](#) contained in your invitation email.

Thank you for taking the time to complete this survey. Please answer the questions in relation to the scheme referenced in your invitation email. Where the scheme is locally administered, we mean the sub-scheme or fund administered by the local scheme manager.

Your responses will be kept anonymous unless you consent otherwise at the end of the survey. Linking your scheme name to your answers will help inform The Pension Regulator's (TPR's) engagement with you in the future.

This survey should be completed by the scheme manager or by another party on behalf of the scheme manager. They should work with the pension board chair to complete it, and other parties (e.g. the administrator) where appropriate.

There is a space at the end of the survey to add comments about your answers where you feel this would be useful.

SECTION A – GOVERNANCE

The first set of questions is about how your pension board works in practice.

A1. EVERYONE TO ANSWER

Does your scheme have a documented policy to manage the pension board members' conflicts of interest?

Please select one answer only

1. Yes
2. No
3. Don't know

A2. EVERYONE TO ANSWER

Does your scheme maintain a register of pension board members' interests?

Please select one answer only

1. Yes
2. No
3. Don't know

A3. EVERYONE TO ANSWER

Focusing on the scheme's pension board meetings in the last 12 months, please tell us the following:

Please write in the number for each of a-c below

- a) **Number of board meetings that were scheduled to take place (in the last 12 months)**
- b) **Number of board meetings that actually took place (in the last 12 months)**
- c) **Number of board meetings that were attended by the scheme manager or their representative**
.....
(in the last 12 months)

A4. EVERYONE TO ANSWER

Do the scheme manager and pension board have sufficient time and resources to run the scheme properly?

Please select one answer only

1. Yes
2. No
3. Don't know

A5. EVERYONE TO ANSWER

Do the scheme manager and pension board have access to all the knowledge, understanding and skills necessary to properly run the scheme?

Please select one answer only

1. Yes

2. No
3. Don't know

A6. EVERYONE TO ANSWER

How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?

Please select one answer only

1. At least monthly
2. At least quarterly
3. At least every six months
4. At least annually
5. Less frequently
6. Never
7. Don't know

A7. EVERYONE TO ANSWER

Focusing on the composition of your pension board, please tell us the following:

Please write in the number for each of a-d below

- a) Number of current board members
- b) Number of vacant positions on the board
- c) Number of members that have left the board
in the last 12 months
- d) Number of members that have been appointed
to the board in the last 12 months

SECTION B – MANAGING RISKS

The next set of questions is about managing risks.

B1. EVERYONE TO ANSWER

Does your scheme have documented procedures for assessing and managing risk?

Please select one answer only

1. Yes
2. No
3. Don't know

B2. EVERYONE TO ANSWER

Does your scheme have a risk register?

Please select one answer only

1. Yes
2. No
3. Don't know

B3. EVERYONE TO ANSWER

In the last 12 months, how often have you reviewed the scheme's exposure to new and existing risks?

Please select one answer only

1. At least every month
2. At least every quarter
3. At least every six months
4. Less than every six months
5. Have not reviewed in the last 12 months
6. Don't know

B4. EVERYONE TO ANSWER

To what do the top three governance and administration risks on your register relate? If you do not have a risk register, please tell us to what the top three governance and administration risks facing your scheme relate.

Please select up to three options below

1. Funding or investment
2. Record-keeping (i.e. the receipt and management of correct data)
3. Guaranteed Minimum Pension (GMP) reconciliation
4. Securing compliance with changes in scheme regulations
5. Production of annual benefit statements
6. Receiving contributions from the employer(s)
7. Lack of resources/time
8. Recruitment and retention of staff or knowledge
9. Lack of knowledge, effectiveness or leadership among key personnel
10. Poor communications between key personnel (board, scheme manager, administrator, etc.)
11. Failure of internal controls
12. Systems failures (IT, payroll, administration systems, etc.)
13. Cyber risk (i.e. the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its IT systems and processes)
14. Administrator issues (expense, performance, etc.)

15.Other (please specify):

.....

16.Don't know

SECTION C – ADMINISTRATION AND RECORD-KEEPING PROCESSES

The next set of questions is about administration and record-keeping.

C1. EVERYONE TO ANSWER

Which of the following best describes the scheme's administration services?

Please select one answer only

1. Delivered in house
2. Outsourced to another public body (e.g. a county council)
3. Outsourced to a commercial third party
4. Other
5. Don't know

C2. EVERYONE TO ANSWER

When did the scheme last review who should provide its administration services?

Please select one answer only

1. In the last 12 months
2. Between 13 and 24 months ago
3. Between 25 and 36 months ago
4. More than 36 months ago
5. Never
6. Don't know

C3. EVERYONE TO ANSWER

Which of the following do you use to monitor and manage the performance of your administrators (whether in-house or outsourced)?

Please select all the options that apply

1. Performance metrics are set out in contracts or service level agreements
2. Administrators provide independent assurance reports
3. Independent auditors review the performance of administrators
4. Administrators deliver regular reports to the scheme manager and/or pension board on the service provided
5. Administrators attend regular meetings with the scheme manager and/or pension board
6. Penalties are applied where contractual terms or service standards are not met
7. None of these
8. Don't know

C4. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings had administration as a dedicated item on the agenda?

Please write in the number below

.....

C5. EVERYONE TO ANSWER

Do you have processes in place to monitor scheme records for all membership types on an ongoing basis to ensure they are accurate and complete?

Please select one answer only

1. Yes
2. No
3. Don't know

C6. EVERYONE TO ANSWER

Does the scheme have an agreed process in place with the employer(s) to receive, check and review data?

Please select one answer only

1. Yes
2. No
3. Don't know

C7. EVERYONE TO ANSWER

Is your scheme single employer or multi-employer?

Please select one answer only

1. Single employer scheme (i.e. used by just one employer)
2. Multi-employer scheme (i.e. used by several different employers)

C8. ANSWER IF SINGLE EMPLOYER SCHEME (C7=1)

Does your participating employer...

Please select one answer per row

| | Yes | No | Don't know |
|--|-----------------------|-----------------------|-----------------------|
| a) Always provide you with timely data? | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| b) Always provide accurate and complete data? | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| c) Submit data to you monthly? | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| d) Submit data to you electronically? | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

C9. ANSWER IF MULTI-EMPLOYER SCHEME (C7=2)

What proportion of your scheme's employers...

Please write in the percentage (from 0% to 100%) for each of a-d below. If you do not know exactly, please give an approximate percentage.

- a) Always provide you with timely data?** %
- b) Always provide accurate and complete data?** %
- c) Submit data to you monthly?** %
- d) Submit data to you electronically?** %

C10. EVERYONE TO ANSWER

Does the scheme have a process in place for monitoring the payment of contributions?

Please select one answer only

1. Yes
2. No
3. Don't know

C11. EVERYONE TO ANSWER

Does the scheme have a process in place for resolving contribution payment issues?

Please select one answer only

1. Yes
2. No
3. Don't know

C12. ANSWER IF MULTI-EMPLOYER SCHEME (C7=2)

Does the scheme have a defined escalation process in place for dealing with employers who do not provide timely or accurate data?

Please select one answer only

1. Yes
2. No
3. Don't know

C13. ANSWER IF MULTI-EMPLOYER SCHEME AND HAVE AN ESCALATION PROCESS (C12=1)

What actions are included in your process for dealing with employers who do not provide timely or accurate data?

Please select all the options that apply

1. Chase by telephone
2. Chase in writing
3. Escalate to senior staff
4. Manual correction
5. Impose penalty
6. Remove from scheme
7. Assess for breach of law
8. Other (please specify):
.....
9. Don't know

SECTION D – CYBER SECURITY

The next set of questions is about your scheme's cyber security.

D1. EVERYONE TO ANSWER

Which, if any, of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?

By 'cyber risk' we mean the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems and processes.

Please select all the options that apply

1. Roles and responsibilities in respect of cyber resilience are clearly defined and documented
2. Cyber risk is on the risk register and regularly reviewed
3. Assessment of the vulnerability to a cyber incident of the key functions, systems, assets and parties involved in the running of the scheme
4. Assessment of the likelihood of different types of breaches occurring in the scheme
5. Access to specialist skills and expertise to understand and manage the risk
6. System controls (e.g. firewalls, anti-virus and anti-malware products and regular updates of software)
7. Controls restricting access to systems and data
8. Critical systems and data are regularly backed up
9. Policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working
10. Policies on data access, protection, use and transmission which are in line with data protection legislation and guidance
11. An incident response plan to deal with any incidents which occur
12. The scheme manager has assured themselves of third party providers' controls (including administrators)
13. The scheme manager receives regular updates on cyber risks, incidents and controls
14. The pension board receives regular updates on cyber risks, incidents and controls
15. None of these
16. Don't know

D2. EVERYONE TO ANSWER

Have any of the following happened to your scheme, including at any outsourced administration provider, in the last 12 months?

Please select all the options that apply

1. Computers becoming infected with ransomware
2. Computers becoming infected with other viruses, spyware or malware
3. Attacks that try to take down your website or online services
4. Hacking or attempted hacking of online bank accounts
5. People impersonating your scheme in emails or online
6. Staff receiving fraudulent emails or being directed to fraudulent websites
7. Unauthorised use of computers, networks or servers by staff, even if accidental
8. Unauthorised use or hacking of computers, networks or servers by people outside your scheme
9. Any other types of cyber security breaches or attacks

- 10. None of these
- 11. Don't know

D3. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES IN THE LAST 12 MONTHS (D2=1-9)

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months (including at any outsourced administration provider), which, if any, of the following happened as a result?

Please select all the options that apply

- 1. Software or systems were corrupted or damaged
- 2. Personal data (e.g. on members, beneficiaries or staff) was altered, destroyed or taken
- 3. Permanent loss of files (other than personal data)
- 4. Temporary loss of access to files or networks
- 5. Lost or stolen assets, trade secrets or intellectual property
- 6. Money was stolen
- 7. Your website or online services were taken down or made slower
- 8. Lost access to any third-party services you rely on
- 9. None of these
- 10. Don't know

SECTION E – DATA REVIEW

The next set of questions is about your scheme's approach to reviewing and improving its data.

E1. EVERYONE TO ANSWER

When did your scheme last complete a data review exercise?

Please select one answer only

1. Within the last 12 months
2. More than 12 months ago
3. Never completed one
4. Don't know

E2. ANSWER IF LAST COMPLETED A DATA REVIEW EXERCISE MORE THAN 12 MONTHS AGO OR NEVER COMPLETED ONE (E1=2 OR 3)

Is a data review exercise currently underway for your scheme but not yet completed?

Please select one answer only

1. Yes
2. No
3. Don't know

E3. ANSWER IF SCHEME HAS EVER COMPLETED A DATA REVIEW EXERCISE (E1=1 OR 2)

Did your scheme's most recently completed data review exercise look at any of the following?

Please select all the options that apply

1. Common data (e.g. member's name, DOB, NI number and address)
2. Scheme-specific data (previously called conditional data)
3. Member existence checks
4. None of these
5. Don't know

E4. ANSWER IF DATA REVIEW COVERED COMMON DATA (E3=1)

Did your scheme's most recently completed data review exercise identify any issues or problems with the common data?

Please select one answer only

1. Yes
2. No
3. Don't know

E5. ANSWER IF DATA REVIEW IDENTIFIED ANY ISSUES WITH COMMON DATA (E4=1)

Has any action been taken to address the issues identified with the common data?

Please choose one answer that most closely describes the action your scheme has taken to date

1. An improvement plan is in development
2. An improvement plan is in place but rectification work is not yet complete
3. An improvement plan has been put in place and rectification work has been completed

4. Rectification work has been undertaken without an improvement plan
5. No improvement plan has been developed and no work has been undertaken
6. Don't know

E6. ANSWER IF DATA REVIEW COVERED SCHEME-SPECIFIC DATA (E3=2)

Did your scheme's most recently completed data review exercise identify any issues or problems with the scheme-specific data?

Please select one answer only

1. Yes
2. No
3. Don't know

E7. ANSWER IF DATA REVIEW IDENTIFIED ANY ISSUES WITH SCHEME-SPECIFIC DATA (E6=1)

Has any action been taken to address the issues identified with the scheme-specific data?

Please choose one answer that most closely describes the action your scheme has taken to date

1. An improvement plan is in development
2. An improvement plan is in place but rectification work is not yet complete
3. An improvement plan has been put in place and rectification work has been completed
4. Rectification work has been undertaken without an improvement plan
5. No improvement plan has been developed and no work has been undertaken
6. Don't know

SECTION F – ANNUAL BENEFIT STATEMENTS

The next set of questions is about members’ annual benefit statements.

F1. EVERYONE TO ANSWER

In 2018, what proportion of active members received their annual benefit statements by the statutory deadline?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

..... %

F2. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (F1=0-99%)

Was the missed deadline for issuing active member statements reported to TPR?

Please select one answer only

1. Yes - and Breach of Law report made
2. Yes - but decided not to make a Breach of Law report
3. No - not reported
4. Don't know

F3. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (F2=3)

What was the main reason for not reporting the breach?

Please select one answer only

1. Not material - few statements affected
2. Not material - very short delay
3. Other reason (please specify):
.....
4. Don't know

F4. EVERYONE TO ANSWER

What proportion of all the annual benefit statements the scheme sent out in 2018 contained all the data required by regulations?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

..... %

SECTION G – RESOLVING ISSUES

The next set of questions is about resolving issues or complaints the scheme has received.

G1. EVERYONE TO ANSWER

Does the scheme have a working definition of what constitutes a complaint?

Please select one answer only

1. Yes
2. No
3. Don't know

G2. EVERYONE TO ANSWER

In the last 12 months, how many complaints have you received from members or beneficiaries in relation to their benefits and/or the running of the scheme? And how many of these complaints have entered the Internal Dispute Resolution (IDR) process?

Please write in the number for each of a) and b) below. The number at b) should be equal to or lower than the number at a).

a) Total number of complaints received

b) Number of these complaints that have entered the Internal Dispute Resolution (IDR) process

G3. ANSWER IF ANY COMPLAINTS RECEIVED IN THE LAST 12 MONTHS (G2a>0)

To what did the top three types of complaint relate?

Please select up to three options below

1. Eligibility for ill health benefit
2. Slow or ineffective communication
3. Inaccuracies or disputes around pension value or definitions
4. Delays to benefit payments
5. Disputes or queries about the amount of benefit paid
6. Delay or refusal of pension transfer
7. Inaccurate data held and/or statement issued
8. Pension overpayment and recovery
9. Other (please specify):

.....
10. Don't know

G4. EVERYONE TO ANSWER

Does the scheme carry out a satisfaction survey(s) among its members and beneficiaries?

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION H – REPORTING BREACHES

The next set of questions is about the scheme’s approach to dealing with any breaches of the law.

H1. EVERYONE TO ANSWER

Does the scheme have procedures in place to allow the scheme manager, pension board members and others to identify breaches of the law?

Please select one answer only

1. Yes
2. No
3. Don’t know

H2. EVERYONE TO ANSWER

In the last 12 months, have you identified any breaches of the law that are not related to annual benefit statements?

Please select one answer only

1. Yes
2. No
3. Don’t know

H3. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)

What were the root causes of the breaches identified?

Please select all the options that apply

1. Systems or process failure
2. Failure to maintain records or rectify errors
3. Management of transactions (e.g. errors or delays in payments of benefits)
4. Failure of the employer(s) to provide timely, accurate or complete data
5. Late or non-payment of contributions by the employer(s)
6. Other employer-related issues (please specify):
.....
7. Conflicts of interest
8. Lack of knowledge and understanding
9. Something else (please specify):
.....
10. Don’t know

H4. EVERYONE TO ANSWER

Are there procedures in place to assess breaches of the law, and report these to TPR if required?

Please select one answer only

1. Yes
2. No
3. Don’t know

H5. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)

In the last 12 months, have you reported any breaches to TPR as you thought they were materially significant? Please do not include any breaches that related to annual benefit statements.

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION I – GOVERNANCE AND ADMINISTRATION

The next set of questions is about your progress in addressing governance and administration issues.

I1. EVERYONE TO ANSWER

To what would you attribute any improvements made to the scheme's governance and administration in the last 12 months?

Please select all the options that apply

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify):
.....
6. Scheme manager action (please specify):
.....
7. Pension board action (please specify):
.....
8. Other (please specify):
.....
9. No improvements to governance/administration in the last 12 months
10. Don't know

I2. EVERYONE TO ANSWER

What are the main three barriers to improving the governance and administration of your scheme over the next 12 months?

Please select up to three options below

1. Lack of resources or time
2. Complexity of the scheme
3. The volume of changes that are required to comply with legislation
4. Recruitment, training and retention of staff and knowledge
5. Lack of knowledge, effectiveness or leadership among key personnel
6. Poor communications between key personnel (board, scheme manager, administrator, etc.)
7. Employer compliance
8. Issues with systems (IT, payroll, administration systems, etc.)
9. Other (please specify):
.....
10. There are no barriers
11. Don't know

SECTION J – PERCEPTIONS OF TPR

The final set of questions is about your views of TPR.

J1. EVERYONE TO ANSWER

Thinking about your overall perception of TPR, to what extent do you agree or disagree with the following words as ways to describe TPR?

Please select one answer per row

| | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree | Don't know |
|--------------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| a) Tough | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| b) Efficient | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| c) Visible | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| d) Fair | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| e) Respected | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| f) Evidence-based | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| g) Decisive | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| h) Clear | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| i) Approachable | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

J2. EVERYONE TO ANSWER

Thinking now about how TPR operates, how effective do you think it is at improving standards in scheme governance and administration in public service pension schemes?

Please select one answer only

1. Very effective
2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

SECTION K – ATTRIBUTION

Thank you for completing this survey. Your responses will help TPR understand how schemes are progressing and any issues they may face, which will inform further policy and product developments. Before you submit your answers, there are just a few more questions about your survey responses.

K1. EVERYONE TO ANSWER

Which of the following best describes your role within the pension scheme?

Please select one answer only

1. Scheme manager*
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other (please specify):

.....

**In this survey 'scheme manager' refers to the definition within the Public Service Pensions Act, e.g. the Local Authority, Fire and Rescue Authority, Police Pensions Authority, Secretary of State/Minister or Ministerial department.*

K2. EVERYONE TO ANSWER

What other parties did you consult with to complete this survey?

Please select all the options that apply

1. Scheme manager
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other
7. Did not consult with any other parties

K3. EVERYONE TO ANSWER

To inform TPR's engagement going forward, they would like to build an individual profile of your scheme by linking your scheme name to your survey answers. This will only be used for internal purposes by TPR and your scheme name would not be revealed in any published report.

Are you happy for your responses to be linked to your scheme name and supplied to TPR for this purpose?

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and supplied to TPR
2. No, I would like my responses to remain anonymous

K4. EVERYONE TO ANSWER

And would you be happy for the responses you have given to be linked to your scheme name and shared with the relevant scheme advisory board?

This is to help inform the advisory boards of areas for improvement and to further their engagement with pension boards.

Please select one answer only

- 1. Yes, I am happy for my responses to be linked to my scheme name and shared with the relevant advisory board
- 2. No, I would like my responses to remain anonymous

K5. EVERYONE TO ANSWER

TPR may conduct some follow up research on this topic to improve their advice and engagement with schemes such as yours. Would you be willing for us to pass on your name, contact details and relevant survey responses to them so that they, or a different research agency on their behalf, could invite you to take part?

You may not be contacted and, if you are, there is no obligation to take part. Your contact details will be stored for a maximum duration of 12 months, before being securely destroyed.

Please select one answer only

- 1. Yes, I am happy to be contacted for follow-up research
- 2. No, I would prefer not to be contacted for follow-up research

K6. EVERYONE TO ANSWER

Please record your name below. This is just for quality control purposes and will not be passed on to TPR (unless you have agreed that they can contact you for follow-up research).

Please write in below

.....
.....

K7. EVERYONE TO ANSWER

Finally, please use the space below if you have any other comments or would like to clarify/ explain any of the answers you have given.

Please write in below if applicable

.....
.....

.....
.....

.....
.....

.....
.....

.....
.....

.....
.....

Work completed outside of target: Aging Analysis

| | | | Days outside target | | | | | | |
|-----------|---------|----------|---------------------|-------|-------|-------|-------|-------|-----|
| | Success | Failures | 1-10 | 11-20 | 21-30 | 31-40 | 41-50 | 51-60 | 61+ |
| June | 664 | 183 | 109 | 26 | 12 | 7 | 7 | 2 | 20 |
| July | 543 | 174 | 59 | 19 | 20 | 17 | 8 | 1 | 50 |
| August | 664 | 150 | 108 | 10 | 6 | 1 | 5 | 7 | 13 |
| September | 813 | 373 | 129 | 67 | 33 | 20 | 12 | 7 | 105 |

Analysis of contribution payment receipts

The table below analyses the number and amount of late contribution payments. Late is defined as being received after to 19th of a relevant month (21st if electronic).

| | Apr | May | Jun | Jul | Aug | Sep | YTD Average |
|-------------------------------|--------|--------|--------|-------|--------|-------|-------------|
| Late | 2 | 1 | 3 | 1 | 2 | 1 | 1.7 |
| On time | 188 | 188 | 185 | 188 | 186 | 189 | 187 |
| Number of Active Employers | 190 | 189 | 188 | 189 | 188 | 190 | 189 |
| % Late of Active Employers | 1.05% | 0.53% | 1.60% | 0.53% | 1.06% | 0.53% | 0.88% |
| Average Days Late | 9.00 | 3.00 | 10.67 | 1.00 | 5.50 | 16.00 | 7.5 |
| Total Amount Overdue (£) | 49,375 | 302 | 14,046 | 302 | 12,963 | 302 | 12,881.7 |
| Total Contributions (£m) | 10.0 0 | 10. 24 | 10.10 | 10.42 | 10.01 | 10.09 | 10.14 |
| % Late of total contributions | 0.49% | 0.00% | 0.14% | 0.00% | 0.13% | 0.00% | 0.1% |

The table below analyses the late payments based on YTD Average.

| % Late Payments | No. ERs | % total ERs |
|-----------------|---------|-------------|
| 0% | 180 | 96% |
| 1% - 10% | 0 | 0% |
| 11% - 20% | 5 | 3% |
| 21% - 30% | 1 | 1% |
| 31% - 40% | 0 | 0% |
| 41% - 50% | 1 | 1% |
| 51% - 60% | 0 | 0% |
| 61% - 70% | 0 | 0% |
| 71% - 80% | 0 | 0% |
| 81% - 90% | 0 | 0% |
| 90% - 100% | 0 | 0% |
| | 187 | |

Membership Movements, Transfers Out and Opt Outs

Membership Movements - July 2018 to October 2018

| Membership Type | 01/07/2018 | Joiners processed | Leavers processed | 31/10/2018 |
|------------------|---------------|-------------------|-------------------|---------------|
| Active | 27,400 | 1,565 | 974 | 27,991 |
| Deferred | 27,204 | 560 | 289 | 27,475 |
| Pensioner | 16,975 | 297 | 100 | 17,172 |
| Spouse/Dependant | 2,410 | 45 | 44 | 2,411 |
| Total | 73,989 | 2,467 | 1,407 | 75,049 |

Transfer Out Estimates and Actuals - July 2018 to October 2018.

*Actuals = estimates which went on to become confirmed transfer outs

| Membership Type | Jul-18 | Aug-18 | Sep-18 | Oct-18 |
|-------------------------|--------|--------|--------|--------|
| Transfers-Out Estimates | 55 | 37 | 25 | 81 |
| Transfers-Out Actuals | 4 | 2 | 4 | 7 |

Opt Outs - July 2018 to October 2018

| Membership Type | Jul-18 | Aug-18 | Sep-18 | Oct-18 |
|-----------------|--------|--------|--------|--------|
| Opt Outs | 3 | 3 | 5 | 4 |

Compliments and Complaints

Compliments

| Month | Total |
|-----------|-------|
| April | |
| May | 3 |
| June | 9 |
| July | 6 |
| August | 8 |
| September | 9 |
| October | |
| Total YTD | 35 |

| Month | Total | Delay | Info not received | Charges /fees | Late payment | ABS error | Incorrec t figures/i nformati on | Unhappy with Regulati ons | Abateme nt | User error/H OL or website | Member expectat ions not met | Dispute over amount |
|-----------|-------|-------|-------------------|---------------|--------------|-----------|----------------------------------|---------------------------|------------|----------------------------|------------------------------|---------------------|
| April | 9 | 4 | 1 | | 1 | 1 | 1 | | | 1 | | |
| May | 15 | 8 | 1 | | 1 | | | | | 1 | 1 | |
| June | 9 | 4 | 1 | | | | 1 | | | | 3 | |
| July | 6 | 4 | | | 1 | | | | | 1 | | |
| August | 8 | 3 | | | | | 1 | | | | 2 | 2 |
| September | 9 | 4 | | 1 | | | | | | 1 | 1 | 2 |
| October | 6 | 3 | | | | | | | | 1 | 2 | |
| Total YTD | 62 | 30 | 3 | 1 | 3 | 1 | 3 | 0 | 0 | 5 | 9 | 4 |

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