

Pension Advisory Board

6 March 2019 – At a meeting of the Pension Advisory Board held at 9.30 am at County Hall, Chichester, PO19 1RQ.

Present: Peter Scales (Chairman)

Richard Cohen, Miranda Kadwell, Kim Martin, Becky Caney, Chris Scanes and Tim Stretton

Part I

84. Declarations of Interests and Conflicts

84.1 None declared.

85. Part I Minutes of the last meeting

85.1 Resolved – That the part I minutes of the meeting of the Board held on 21 November 2018 be approved as a correct record and signed by the Chairman.

86. Progress Report

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

86.2 Adam Chisnall introduced the report and gave an update on the action on the locations of Declarations of Interest and the Register of Interests on the website. It was not possible to change the location of these items on the website, however a link to the Register of Interests had been added to the Pension Advisory Board to improve accessibility.

86.3 Rachel Wood reported that Key Performance Indicators were outlined within the Administration Strategy appendix to the Pension Fund Policy Documents report.

86.4 Rachel Wood confirmed that the training after the meeting would explain the process for raising issues.

86.5 The Chairman reported that he had met with Katharine Eberhart, Director of Finance, Performance & Procurement and Section 151 officer. Officers were due to talk with Jeremy Hunt, Chairman of the Pensions Panel, regarding attendance at Board meetings.

86.6 The Board discussed appointment terms and queried the action for members whose appointments were due to end. – *Rachel Wood confirmed that officers needed to discuss this with the scheme manager to look at extending the terms.*

86.7 The Board reported that they were happy with the re-wording of the Internal Dispute Resolution Procedure.

86.8 Resolved – That the Board notes the report.

87. Pensions Panel Minutes - Part I

87.1 The Board considered the confirmed part I minutes from the 1 November 2018 Pensions Panel meeting; and the Agenda from the 28 January 2019 Pensions Panel meeting (copy appended to the signed minutes).

87.2 The Board noted that the actuary presentation had also been given to the Board after their last meeting, and welcomed this alignment of training.

87.3 Resolved – That the minutes and agenda be noted.

88. Business Planning and Performance

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

88.2 The Chairman introduced the report and how it included comments from the one to one meetings he had had with Board members. The report also included key markers for future agendas.

88.3 The Board made comments including those that follow.

- Thought that the report well represented the one to one meetings that had happened.
- Reflected that Appendix A showed a good report of the work the Board has achieved.
- Noted the concerns raised with previous monitoring of KPIs that did not necessarily show all areas of pension administration. – *Rachel Wood confirmed that there would be better monitoring with Hampshire County Council; with an expectation of 100% achievement of KPIs.*
- Queried the budget underspend. – *Rachel Wood confirmed that the budget came from the Pension Fund, and so underspend would remain within the Pension Fund. Adam Chisnall confirmed that the 0.2 FTE requirement still appropriately covered his support from Democratic Services. The Chairman welcomed the training allowance in the budget which could be utilised if bespoke training was required. The Board requested details of the end of year budget spend.*
- Queried where the annual report was distributed. – *Rachel Wood reported that the report went to employers via a link as part of the Pension Panel papers. The Board queried if the Pension Advisory Board report should be sent separately to employer reps to help inform them of what the Board does. Rachel Wood resolved to look into this.*

88.4 Resolved – That the Board agrees the performance report 2018/19; the budget statement showing expenditure in 2018/19; and the statement for inclusion in the Fund Annual Report. The Board also agrees that the Pensions Panel and the Governance Committee be informed accordingly.

89. Regulations and Guidance update

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

89.2 The Chairman introduced the report and highlighted Appendix A which outlined the Local Government Pension Scheme bulletins.

89.3 The Board made comments including those that follow.

- Sought an update on contracted out reconciliation. – *Tara Atkins confirmed that contracting out had been abolished and therefore a reconciliation of the contracted out benefits was needed against the Scheme records and HMRC. A reconciliation exercise is taking place to look into this, which had met the HMRC queries deadline of October 2018. The County Council are awaiting a response to these queries.*
- Noted The Pension Regulator entry and proposed inviting them to a future Board meeting. – *Rachel Wood proposed inviting The Pension Regulator to a meeting after they had completed their survey work.*

89.4 The Chairman referred to Appendix B which outlined key points from the 16 January Scheme Advisory Board meeting. The Chairman agreed to continually circulate the notes to Board members.

89.5 The Board discussed the Hymans Robertson Good Governance survey and queried if they could be involved. – *Rachel Wood resolved to contact Hymans Robertson to put the Board on their radar for the survey work.*

89.6 Resolved – That the Board notes the update.

90. Review of Pension Fund Policy Documents

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

90.2 Rachel Wood introduced the report and explained that the Treasury Management Policy went to the January Pensions Panel. The Administration Strategy had recently been updated following the transfer to Hampshire County Council.

90.3 The Board queried why some of the review dates in Appendix A were in the past. – *Tara Atkins reported that some reviews had been impacted by the transfer of administration and would be considered as part of the transfer project. Rachel Wood confirmed that the Annual Report date was an error and should be July 2019.*

90.4 The Board made comments including those that follow on the Treasury Management policy.

- Queried if there had been any changes to the Treasury Management policy. – *Rachel Wood confirmed there had been no changes. The County Council had a discipline to give an annual approval to the policy.*
- Commented on the CIPFA requirement for section 151 officer to check compliance. It was important for the Board to be aware of the policy, and for the Pensions Panel to approve it.

90.5 Tara Atkins introduced the Administration Strategy and explained how the strategy had undergone a review to reflect the new SLA expectations from Hampshire County Council. The strategy also covered the change in processes for Employers. Employees were not impacted as much, but there were changes in processes for leavers.

90.6 The Board made comments including those that follow on the Administration Strategy.

- Queried when Hampshire County Council would attend a Board meeting. – *Rachel Wood confirmed that Hampshire were due to attend the next meeting.*
- Commented that Hampshire County Council had been meeting with Employers and had been very supportive during the transfer arrangements.
- Asked how many estimates could be requested. – *Tara Atkins reported that members could request one estimate a year, anything beyond this would be chargeable. Annual Benefit Statements are and Pension Modeller tools would be available on the portal. Rachel Wood added that Employers could request two estimates per employee per year without additional charges.*
- Commented that Additional Pension Contribution information was not provided on the Annual Benefit Statements. – *Rachel Wood explained that Capita had limitations on how data could be stored. Hampshire County Council were expected to have fewer limitations and so this information should be available.*
- Queried why new employees were not receiving scheme welcome information. – *Tara Atkins reported that this was the responsibility of employers to signpost. It was recommended to include website link information or a covering letter with the initial employment contract. This could be picked up with the transfer communications.*

90.7 The Board discussed which policies should be discussed at the next Board meeting and chose the Funding Strategy Statement and the Communications Strategy. The Board also agreed to look at the Annual Report at the September meeting.

90.8 Resolved – That the Board notes the register of policy documents and the contents of the Treasury Management policy and the Administration Strategy. The Board requests that the Funding Strategy Statement and the Communications Strategy come to the next meeting for consideration.

91. Administration procedures and performance

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

91.2 Tara Atkins introduced the report and explained that work was continuing to identify the individuals who were affected by the amendment to the regulations.

91.3 The Board made comments including those that follow.

- Queried how aware members were of their responsibility to ensure dependent information was up to date. – *Tara Atkins confirmed that the scheme tried to ensure members were referred to the relevant section to nominate their dependents. It was believed that this section would be easier to access on the new portal. Consideration could be given on future communications plans on this topic.*
- Asked how the expression of wishes on death information was managed on the new system. – *Tara Atkins reported that Hampshire County Council were proactive on this to ensure all routes were exhausted to ensure there were no challenges to expressions of wish.*
- Sought clarity on the future of newsletters and how the portal would be used. – *Tara Atkins reported that officers were aware of the log in issues with the previous portal and hoped that the new portal would be easier. There would be more functionality in the new portal for pensioners. Rachel Wood confirmed that existing channels of communication could be utilised to report on key information.*
- Commented on the problematic issue of leavers using their work email addresses and therefore not receiving information.
- Queried if the Secretary of State had issued guidance on any aspect of the regulations. – *Tara Atkins confirmed that there had been a consultation response on this where the Government could change areas of the regulations without consultation. The Government had reported it would only use this power in particular circumstances.*
- Asked if there had been any breaches since the last report. – *Tara Atkins reported that she was not aware of any breaches. The Chairman requested that all future reports had a section on breaches, even if there were none to report.*

91.4 Resolved – That the Board notes the report.

92. Training

92.1 The Board received a document outlining the training that been recorded for Board members (copy appended to the signed minutes).

92.2 Adam Chisnall introduced the report and noted the progress that had been recorded for the Pension Regulator Toolkit modules. Adam Chisnall also reminded the Board that the annual Financial Statement training with the Regulation, Audit and Accounts Committee would take place on 13 June.

92.3 The Chairman gave a summary of his attendance at a recent CIPFA seminar and how there needed to be more guidance on legislation for what Pension Advisory Boards should be monitoring. The Chairman agreed to inform the Board when he heard more on this.

92.4 The Board noted that they were not responsible for investment decisions.

92.5 Rachel Wood reported that officers were looking at the results of the completed knowledge and understanding tests that the Board members had completed. The results would inform the training strategy would be considered at the next Board meeting.

92.6 Resolved – That the Board notes the training log.

93. Date of Next Meeting

93.1 The Board noted that its next scheduled meeting would take place on Wednesday 22 May 2019 at 9.30 a.m. at County hall, Chichester.

94. Exclusion of Press and Public

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

95. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 21 November 2018 meeting.

96. Pensions Panel Minutes – Part II

The Board noted the contents of Part II minutes from the 1 November 2018 Pensions Panel meeting.

97. Asset Pooling

The Board considered an Investment Pooling report by the Director of Finance, Performance and Procurement which had gone to the 28 January 2019 Pensions Panel meeting.

The Board also considered the Chairman's comments on the statutory guidance on asset pooling and agreed to the consultation response.

98. Business Plan (including Pension Administration)

The Board considered the Business Plan report by the Director of Finance, Performance and Procurement which had gone to the 28 January 2019 Pensions Panel meeting.

The Board noted the report and the progress made on the Pension Administration transfer. The Chairman agreed to write a Business Plan for the Board that would align with the Pensions Panel's plan.

The meeting ended at 11.55 am

Chairman