

Pension Panel

25 October 2019

Business Plan Update

Report by Director of Finance and Support Services

Summary

The Pensions Panel approved its Business Plan for 2019/20 when it met on 29 April 2019.

The Panel will receive an update on progress against the Business Plan objectives, details impact on risk (where applicable) and proposes actions each quarter.

Recommendation

That the updates to the Business Plan are noted.

Background

1. The Business Plan sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved.
2. 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, any issue with the highest levels of risk identified, any area of concern with administration performance 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.
3. The Fund's overarching objectives are set out below:
 - **Governance:** Act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, and well based, ensuring sound governance, risk management and compliance and that the management of the Fund is undertaken by people who have the appropriate knowledge and expertise.
 - **Investments and Funding:** To maximise returns from investments within reasonable risk parameters and with clear investment decisions based on a prudent long term funding priorities given the preference to keep employer contribution rates are reasonably stable where appropriate.
 - **Administration and Communication:** Deliver a high quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time, clear communication and robust accounting and reports.

Update on Business Plan Priorities – Q2

4. The table below provides an update on the Business Plan Priorities for 2019/20.

	Area	Update
a)	Pension Administration (including Employer data quality)	<p>Hampshire Pension Services have published Annual Benefit Statements for active and deferred members by the statutory deadline. Work is now underway between Hampshire Pension Services and West Sussex County Council to agree and implement plans for data quality improvement and to consider the findings from the Pension Regulators 'deep dive' with other Administering Authorities (a summary of which has been appended (Appendix A)).</p> <p>A detailed update is provided elsewhere on the agenda.</p>
b)	Reconciliation to HMRC of GMP (Guaranteed Min Pension)	Officers are continuing to work with specialist reconciliation team.
c)	Annual Report and Accounting	The Annual Report and Accounts have been published on the Pension Fund's website prior to the 31 December 2019 deadline. The final Auditor letter will be considered by the County Council's Regulation, Audit and Accounts Committee at their meeting on 4 November 2020 following external audit work by Ernst & Young.
d)	GDPR	The County Council currently has a Data Sharing Agreements with 67% of the Fund employers. Further reminders will be sent employers during the next quarter.
e)	Investment Strategy	Following the Pension Panel's agreement to consider further investment in infrastructure and private debt investments via a market search, officers have engaged with the County Council's procurement team to determine the appropriate route.
f)	Working collaboratively on the ACCESS Pool and working at Fund level to reflect the addition of the ACCESS Pool	The ACCESS Joint Committee met on 9 September 2019. A detailed update is provided elsewhere on the agenda.
g)	ESG	Officers are working to develop the reporting on ESG.

	Area	Update
h)	Custodian transition	Complete.
i)	2019 valuation preparation	The draft Funding Strategy Statement has been consulted. Data has been provided to the Actuary and employer meetings are scheduled for October and November to provide initial results, with further engagement opportunities prior to March 2020.
j)	Work by the Scheme Advisory Board	Initial Good Governance findings presented in July 2019. A summary is included as Appendix B. SAB has formed two working groups to put forward options for implementation which officers will consider.

Risks

5. The Risk Register includes a risk relating to the political environment (locally or nationally) which impacts on investment markets and legislative requirements. The likelihood of this is considered to have increased due to inactivity in relation to various potential benefit changes and the delay to the Government's pooling consultation.
6. The Risk Monitor is included in Appendix C.

Training

7. A Training Strategy has been 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.
8. Training completed by the Panel and appropriate future training events are shown in Appendix D.

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Appendices

Appendix A - Sixty Second Summary TPR Headline Conclusions
Appendix B - Scheme Advisory Board Good Governance Survey
Appendix C - Risk Register
Appendix D - Training Register

Background Document

The Pension Regulators Report -

<https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report#0beb0d2047954672b2a73de451ef7eab>

Good Governance report – <http://www.lgpsboard.org/images/PDF/GGreport.pdf>