

West Sussex Pension Advisory Board

Business Plan 2017/18 performance report

Board establishment

One Board member, a scheme member representative, resigned during the year due to a change of employer (to non-LGPS) but was replaced within two months following a process of advertisement and interview. The new member is employed by West Sussex County Council and has past experience of managing the pension fund.

The Board reviewed the appointment process and decided that the Terms of Reference should state clearly that it is a requirement that scheme member representatives should be members of the West Sussex Pension Fund and employer representatives should represent an employer in the Fund. A formal proposal put to the Governance Committee was agreed and the Terms of Reference amended accordingly.

Board meetings

The Board held three meetings during the year with attendance as follows: Peter Scales (3); Kim Martin (2); Richard Cohen (3); Andy Elder (1); Christopher Scanes (3); and Tim Stretton (2). Relevant interests are recorded and any changes declared at each meeting. There have been no conflicts of interest potential or otherwise.

The business for each meeting has been in line with the Business Plan agreed in March and is based on the responsibilities of the Board and guidance issued about key issues to cover, and on 'live' issues arising during the year.

In terms of the organisation of meetings:

- Each meeting has been preceded by a pre-meeting between the Chairman, officers and service providers held about two weeks before the Board meeting.
- The papers for each meeting have been despatched at least one week before the meeting
- Members have read and digested the various reports
- Discussions have focused on the main issues relating to the Board's responsibilities
- The relevant officers and service providers have been present at each meeting providing clear and helpful advice
- The meetings have been effective in developing the Board's involvement, knowledge and skills, and any necessary decisions have been taken on a unanimous basis.

Progress of business

The Board has covered all items of business in the Business Plan over the course of the year as described in the schedule of key tasks and activities, and no significant items have been unnecessarily delayed or missed. A progress report was made to each meeting to monitor the implementation of actions and decisions from previous meetings. There is a standing agenda item to notify members of any changes in regulations or guidance.

Training

The Board has developed its training plan to cover the individual requirements of each member based on guidance issued by CIPFA, and has used their framework to ensure coverage of all items over a reasonable period of time. The plan is under review to incorporate the needs of new members and to reflect updated guidance.

Training sessions were held to cover the pooling process outcomes and governance, and risk management. In addition, each meeting provides members with a broad update on key issues.

Each member is progressing with the Pensions Regulator's on-line modular training toolkit and updates to this are being assessed. Progress on training was monitored and discussed at each meeting.

Indicators of performance and achievement

As the Board's work is generally subjective in nature, it is not practicable to measure performance against 'hard' indicators. However, performance has been good in monitoring compliance and effectiveness in the administration procedures throughout the year. These are some of the highlights:

Business planning - The Plan has been reviewed and modified based on experience over the past year and has proved an effective means of managing the business for each Board meeting. The Plan includes a self-assessment of performance.

Compliance checks - The main focus was on the implementation process for changes in procedures required in relation to MiFID II and GDPR, on the voluntary code for cost transparency and on monitoring breaches.

Administration - The Board has challenged performance on a number of key indicators and sought improvements in procedures to ensure greater efficiency and effectiveness. Key issues include data quality, the production and distribution of Annual Benefit Statements, the recording and reporting of breaches, and action taken on late payments by employers.

Board members were also able to contribute to efforts to improve employer performance in providing data and seek better training and information to improve matters. Raising the awareness of employers is an important function of the Board. The roll-out and effectiveness of electronic communications has been monitored with members offering suggestions for improvements from the employer/member perspective.

The risk register is kept under review and suggestions made to ensure risks are effectively monitored and mitigation action implemented. On many of these issues, the Board can raise the awareness of the Panel and officers - in effect operating as a 'double check'.

Communications - The Board continues to seek improvements to newsletters and this is now having a positive impact. Members press for greater clarity, simplicity and timeliness of communications. The web portal has also been improved by Capita and reviewed from the perspective of 'user friendliness', both for employers and members.

Pooling arrangements - The Board has monitored progress on the developing arrangements recognising their complexity and the time commitment required from both officers and Panel members. Assurances have been given and will be reviewed regarding new governance arrangements with the pool as these are finalised. As the final implementation comes to fruition during 2018/19, the Board will seek to ensure that the new arrangements are both compliant and effective in governance terms

General - The Board's operations over the past three years have brought compliance and performance into sharper focus and with an employer/member perspective. In addition, the Board is enabling the Scheme Manger to demonstrate compliance with regulations and guidance, and helping ensure the Fund is administered efficiently and effectively.

Chairman's comments

In my view the Board has continued to operate well in developing circumstances, particularly as regards the new pooling arrangements and other changes taking place. Each member continues to demonstrate their commitment to meeting their responsibilities, to gaining new knowledge and understanding of the issues, by preparing for each meeting and by participating effectively in discussion.

Board members are keenly aware of the need not to duplicate the work of the Pensions Panel or officers, nor to generate unnecessary demands for monitoring information for meetings. At the same time, members do not hesitate to challenge decisions or practices when it is appropriate to do so, to seek improvements where beneficial, or to expose non-compliance.