

Pension Advisory Board

20 April 2018 – At a meeting of the Board held at 9.30 a.m. at County Hall, Chichester.

Present: Peter Scales (Independent Chairman), Richard Cohen (Employer representative), Chris Scanes (Scheme member representative) and Tim Stretton (Scheme member representative).

Apologies were received from Kim Martin (Employer representative),

Officers: Steve Harrison (Financial Planning Manager), Tara Atkins (Principal Pensions Consultant (Administration & Employers)) and Adam Chisnall (Democratic Services Officer)

Part I

Declarations of Interests and Conflicts

1. The Chairman asked Board members to check their register of interests to ensure they were accurate.
2. None declared.

Part I Minutes of the previous meeting

3. The Board requested an amendment to the minute 41 to clarify that Mr Elder was no longer working for an employer in the West Sussex Local Government Pension Scheme.
4. Resolved – that the minutes of the meeting of the Board held on 29 November 2017, amended as above, be agreed as a correct record.

Progress Report

5. The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes). Adam Chisnall introduced the report and confirmed that the Terms of Reference had now been changed following the resolution at the November meeting. The Terms of Reference were now available on the Pension Advisory Board's webpage.
6. Tara Atkins reported that the draft Local Government Pensions Scheme (LGPS) Amendment regulations had been recently received and would be available for consideration at the next Board meeting.
7. The Board queried the customer survey and if a reminder would be sent out. Tara Atkins confirmed that the active member survey would be completed in a few weeks.
8. Steve Harrison reported that the training needs document was still being worked on by officers and was part of a wider exercise to align training with the Pensions Panel.

9. Resolved – That the Progress Report be noted.

Pensions Panel Minutes – Part I

10. The Board considered the confirmed part I minutes from the November Pensions Panel meeting and the Agenda from the February Pensions Panel meeting (copy appended to the signed minutes).

11. The Board queried minute 106, bullet 4, and asked where the credits had been applied. Steve Harrison confirmed that the credits had been used to allow fund improvements and had not gone to the County Council.

12. Resolved – That the minutes and agenda be noted.

Pensions Panel Compliance

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

14. Steve Harrison introduced the report which outlined reports from the Pensions Panel. A key piece of work was to consider the Investment Strategy and de-risking as the fund level had reached 105%. It was also a CIPFA requirement to report the Treasury Management Policy.

15. Resolved – That the board notes the compliance demonstrated by the reports.

Regulations and Guidance update

16. The Board noted that Tara Atkins had informed them of the LGPS Amendment regulations and that there was no other guidance to discuss.

Administration procedures and performance

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

18. Tara Atkins introduced the report and explained that KPI compliance issues had led to a change in communication processes for members with deferred benefits. The KPI for this would be split in to two parts; the first linked to the pensions team sending options through when someone was leaving the scheme; the second linked to the notice explaining what benefits were available. Previous issues with this KPI were linked to the backlog. The new proposal should align with the regulations better.

19. Tara Atkins reported to the board the impact of the Brewster case for the LGPS. Actions had been implemented following impact on partner nominations and cases had been checked to ensure compliance with potentially affected members. 4 members had been impacted and have been contacted.

20. Tara Atkins updated the Board on Guaranteed Minimum Pension (GMP) liability. The pensions team had resolved 50% of the fund membership and were waiting on responses from Her Majesty's Revenue and Customs (HMRC) to resolve

issues with individual cases. This was linked to an outcome from the Local Government Association and the Treasury. The Board queried when the responses from HMRC were expected. Tara Atkins explained that the original date was December 2018, but this was now linked to the dashboard work rollout. Procurement work was happening for rectifying works.

21. Tara Atkins reported that the communications policy had been reviewed and updated as part of an annual review. Work was being done with Capita to meet with employers to explain the changes. Similar organisations were being met in groups, e.g. Parish Councils, Academies, etc, to ensure similar issues were being discussed together. The Board felt that communications had improved and commented that the survey results should be monitored to see if this was reflected.

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

- Queried when member newsletters would be sent out. – *Tara Atkins confirmed that employer and member newsletters were currently being drafted. The active member newsletters were produced in line with the annual benefit statements; the pensioner newsletters were produced in line with the April payslips. Peter Scales and Chris Scanes had comments on the draft newsletters which they resolved to send to Tara for consideration.*
- Welcomed the involvement with the newsletter process and commented that the level of the response to the newsletters should dictate how much work goes in to them. – *Tara Atkins commented that there was not much change to the pensioner profile and so there was not much to report in each newsletter. Officers would action feedback if it was received.*
- Queried the timing of newsletters with regard to informing of inflation increases. – *Tara Atkins explained that the newsletters would not be the official notification of this. Payslips would be the official notification. Members would be able to use the portal to check this.*
- Sought clarity on caseload Key Performance Indicator (KPI) figures. – *Tara Atkins reported that the increase in new administration staff had shown improvement across all work; levels of complaints had also reduced. The KPI figures were based on cases completed, not work received. Steve Harrison reported that Clare Chambers was happy with the upward trend.*
- Asked if it was possible for the Board to see details of compliance of work not covered by KPIs. – *Tara Atkins reported that officers were looking at ways to prepare the data to satisfy this request to ensure that all work was reflected. The data should be available for the July Board meeting.*

23. Resolved – That the Board notes the report and will monitor future caseload performance.

Review of West Sussex Pension Advisory Board

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

25. Steve Harrison introduced the report and explained that work had been done to consider how other Pension Boards within the ACCESS group were governed. The proposals outlined in the report included an increase in board membership which would improve resilience.

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

- Welcomed the proposal to increase board membership and queried if it would be useful to consider what type of members were appointed. – *Steve Harrison felt it would be difficult to prescribe this, but it could be possible to encourage representation from desired areas. The Chairman reported that the recent appointment process for the Board had received a good mix of applications. It was proposed to add the desired areas to the advertisements and also consider a balance for the size of employers represented. It was proposed to utilise newsletters and the July Annual meeting of the Pension Fund to advertise the roles. Tara Atkins also proposed using the monthly bulletin.*
- Queried the inclusion of a regular risk register item to the agenda and what the risk register would cover. It was felt that the Board did not require its own risk register, but it would be useful to consider and make recommendations for the fund risk register.
- Discussed the frequency of Board meetings. – *Steve Harrison explained that the inclusion of one additional meeting per year would allow improved alignment with Pensions Panel meetings. It was proposed that Board meetings should follow Panel meetings. Adam Chisnall confirmed that the draft calendar for meetings was created during the summer and that this request could be considered then.*
- Queried if it was possible to see unconfirmed Pensions Panel minutes. – *Adam Chisnall explained that Part I minutes were made available on the Pensions Panel webpage, but proposed it may not be possible to see unconfirmed Part II minutes before they were agreed by the Pensions Panel.*
- Discussed the recommendation to complete the Pension Regulator Toolkit modules. – *It was reported that the modules were due to be reviewed and that it may not be appropriate to ensure all current modules were complete.*

27. The Chairman welcomed the proposals that would bring consistency with other Pension Boards.

28. Resolved – That the Board.

- (1) Agrees to the inclusion of the proposed regular agenda items.
- (2) Agrees to an increase in Board members from five to seven.
- (3) Agrees to an increase in the minimum number of meetings per year to four.

Business Planning and Performance

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

30. The Chairman introduced the report and explained that amendments were required to reflect the March meeting cancellation.

31. The Chairman discussed self appraisal for the board, and reported that other Boards have interviews with the Chairman or post meeting appraisal documents. The Board felt that meetings 1:1 meetings with the Chairman would be effective.

The Chairman resolved to investigate this to consider timing for these meetings. It was felt the meetings should take place before the proposed changes for the Board happen.

32. The Board queried if the increase in meeting frequency would impact the budget. – Adam Chisnall reported that the cost of an additional meeting would not increase his role costs on the budget.

33. Resolved – That the Board.

- (1) Agrees the Business Plan performance report for 2017/18.
- (2) Agrees the schedule of key tasks and activities as planned in 2017/18 and as achieved.
- (3) Agrees the budget statement showing expenditure in 2017/18 against budget and as planned for 2018/19.
- (4) Agrees the statement for inclusion in the Fund Annual Report.
- (5) Agrees that the Pensions Panel and Governance Committee be informed accordingly.

ACCESS Work Update

34. The Board considered an update report on ACCESS (copy appended to the signed minutes).

35. Steve Harrison introduced the report and informed the Board that the ACCESS pool had appointed Link Fund Solutions Ltd as its rented pool operator. By appointing the operator the fund had met the April deadline that had been set by the Government.

36. The Board discussed how pooling would impact their work and felt they would not be working with the operator, but continuing to work with the Pensions Panel.

37. Steve Harrison proposed inviting Rachel Wood or Vickie Hampshire to the next Board meeting to give a further update on ACCESS.

38. Resolved – That the update be noted.

Training

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

40. Adam Chisnall introduced the report and highlighted the previous discussion regarding the proposed review of the Pensions Regulator toolkit modules. Tara Atkins resolved to monitor for any communication regarding these changes.

41. The Chairman highlighted the Financial Statements training on the 13 June and also the CIPFA LGPS Local Pension Boards Three Years on event on 27 June.

The Chairman reported that he and Tim Stretton had attended the CIPFA LGPS Spring Seminar for local pension boards and resolved to send the slides to Board members.

42. The Board proposed inviting the Pensions Regulator to a future board meeting and felt this should be considered for 2019.

43. Resolved – that Board members complete the training needs document when it is complete and circulated.

Date of Next Meeting

44. The Board noted that its next scheduled meeting would take place on Wednesday 18 July 2018 at 9.30 a.m. at County hall, Chichester.

45. The Board requested that a risk management training session should follow the July meeting.

Exclusion of Press and Public

46. 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 11.12a.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public on 20 April 2018

Part II Minutes of the previous meeting

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

The Board agreed the part II minutes of the 29 November meeting.

Pensions Panel Minutes – Part II

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

The Board noted the contents of part II minutes from the November Pensions Panel meeting.