

Pension Advisory Board

14 November 2022 – 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 and Richard Walton

Apologies were received from Chris Curry

Also in attendance: Clare Williams (Deputy Chief Finance Officer), Rachel Wood (Pension Fund Strategist), Vickie Hampshire (Finance Manager - Pension Fund Governance) and Adam Chisnall (Democratic Services Officer).

Part I

17. Declarations of Interests and Conflicts

17.1 None declared.

18. Part I Minutes of the last meeting

18.1 Resolved – That the minutes of the meeting of the board held on 5 September 2022 be approved as a correct record and signed by the Chairman.

19. Progress Statement

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

19.2 Adam Chisnall introduced the report and explained that most actions from the previous meeting had been closed down.

19.3 Resolved – That the board noted the report.

20. Pensions Committee Minutes - Part I

20.1 The board considered the confirmed Part I minutes from the 27 July 2022 Pensions Committee meeting and the Agenda from the 2 November 2022 Pensions Committee meeting (copies appended to the signed minutes).

20.2 Resolved – That the minutes and agenda be noted.

21. Terms of Reference

21.1 Adam Chisnall introduced the updates to the constitution that concerned the Pension Advisory Board and the Pensions Committee.

21.2 The board queried if they should have been consulted on the new restriction that would stop someone being a member of both the board and the committee. – Peter Scales confirmed that he had been consulted

on the proposal and felt that it was a sensible move. Rachel Wood confirmed that the role on the committee was a member representative position, and not a formal union representative.

21.3 Resolved that the constitution updates be noted.

22. Business Plan Update

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

22.2 The Chairman introduced the report and spoke on the annual 1:1s. These had been virtual in recent years due to COVID-19, but it would now be possible to have them in person. The Chairman explained that he would be contacting board members to make arrangements and seek personal preferences on having either virtual or in person 1:1s.

22.3 Rachel Wood introduced the committee Business Plan report at Appendix B. It was explained that the Pension Fund financial statements had not been given final approval due to a national issue on infrastructure accounting, that impacted the County Council's financial statements. However EY, the external auditor, had given a positive account of the pension statements. It was hoped they would be signed off in February.

22.4 The board made comments including those that follow.

- Queried if it was possible to disentangle the Pension Fund and County Council accounts. – Rachel Wood explained that the Pension Fund was not a legal entity and therefore the accounts needed to form part of the County Council accounts. Rachel Wood confirmed that the delay and subsequent approval of the County Council accounts was unlikely to impact the Pension Fund accounts.
- Noted that the training log appendix required updating to reflect the current board membership.
- Commented that some members had completed more training modules than those listed in the report. Vickie Hampshire explained that the lag was due to the timetabling of the Pensions Committee papers.

22.5 Resolved – That the board note the update.

23. Administration procedures and performance

23.1 The board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

23.2 Rachel Wood introduced the report and passed on apologies from Andrew Lowe, Head of Pensions, Investments and Borrowing.

23.3 Rachel Wood reported that 99.4% of current Annual Benefit Statements had been published and 100% of deferred statements. Officers were working to resolve outstanding issues so that all statements could be issued. Work on McCloud was continuing, with data being loaded into the administrative system.

23.4 The board made comments including those that follow.

- Sought clarity on the percentage figures for McCloud datasets received. – Rachel Wood confirmed that the percentages were linked to datasets received from employers and resolved to add clarity to future reports.
- Queried why the deferred figures did not align with the active member reductions. – Rachel Wood explained that the deferred numbers reflected the tidy up work in progress to move active accounts to deferred where appropriate.
- Asked if the total number of employers in the fund was 215 or 214 as the report referred to both figures. – Rachel Wood resolved to investigate the answer and clarify future reports.
- Requested details on the lack of returns and asked if the board could assist with improving the figures. – Rachel Wood explained that the figures related to the number of employers and not individual members within the returns. The importance was placed on ensuring that large employers hit the necessary deadlines. Officers had noticed an upward trend in timely returns which was good. Employers with recurring issues were targeted in order to make necessary improvements.
- Queried if the missing Annual Benefit Statements for use with the dashboard would constitute a breach. – Rachel Wood resolved to investigate this.
- The Chairman asked the board if they were satisfied with the level of information in the report for complaints. – The board confirmed they were happy with the data.

23.5 Resolved – That the board notes the update.

24. Communication Strategy

24.1 The board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

24.2 Rachel Wood introduced the report and confirmed that the Communication Policy Statement would be discussed later on the agenda.

24.3 The board made comments including those that follow.

- Raised a concern that it was not possible to query survivors' pensions on the portal without requesting a quote. – Rachel Wood resolved to investigate this.
- Highlighted that members with multiple pensions needed to be aware that they need to register a nominated person for all pensions. – Rachel Wood resolved to investigate this.
- Commented on death grant expressions of wish, and if it should be made clear that this was considered by the fund. – Rachel Wood explained that this was made clear on the expression of wish form but agreed to look at aligning the wording on the annual benefit statement template.

24.4 Resolved – That the board notes the schedule of Communications drawn from the Communication Policy Statement.

25. Regulations and Governance update

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

25.2 The Chairman introduced the report and confirmed that he would continue to circulate Local Government Pensions Committee bulletins to ensure board members were up to date. The Chairman reported that the Scheme Advisory Board (SAB) had set up a new Compliance & Reporting Committee to report on CIPFA guidance. It was also reported that SAB would be ensuring that necessary guidance could be issued free of charge.

25.3 The board made comments including those that follow.

- Queried if it was known when the combined Pensions Regulator code would be issued. – Rachel Wood confirmed this was not known.
- Commented that the Pensions Regulator covered all pensions, which made it difficult to understand what guidance applied to which scheme. – The board commented that this had been discussed at a LGA fundamentals course, and that CIPFA promoted best practice. The Chairman confirmed that only the government could issue mandatory requirements. The board was responsible to check mandatory compliance, but not advisory guidance.

25.4 Resolved – That the board notes the current issues relating to Scheme Regulations and Governance.

26. Review of Pension Fund Policy Documents

26.1 The board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

26.2 Vickie Hampshire introduced the report, and which included the Communications Policy Statement for consideration by the board. The policy statement content was similar to a previous board review, but now included more detail on the freedom of information.

26.3 The board made comments including those that follow.

- Commented that communications should include information on cyber security.
- Queried how members were made aware of opt out options for communications. – Rachel Wood explained that this had been referred to in recent pensioner communications but was generally explained on the website.
- Observed that people in different jobs would probably welcome occasionally information in the post. This would also help those with multiple fund holdings. – Vickie Hampshire commented that the dashboard would help in this area.
- Questioned the efforts made to contact members at the time of retirement. – Rachel Wood explained that deferred members were contacted; and resolved to look at the triggers for other pension types. Email address domain names were used to assist with this.

26.4 Resolved – That the board notes the register of policy documents and the compliance of the Communications Policy Statement.

27. Date of Next Meeting

27.1 The board noted that its next scheduled meeting would take place on Friday 10 February 2023 at 9.30 a.m. at County Hall, Chichester.

28. 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.

29. Part II Minutes of the last meeting

The board agreed the Part II minutes of the 5 September 2022 meeting and they were signed by the Chairman.

30. Pensions Committee Minutes – Part II

The board noted the contents of Part II minutes from the 27 July 2022 Pensions Committee meeting.

31. Cyber Security

The board considered the report by the Interim Director of Finance and Support Services from the 2 November 2022 Pensions Committee (copy appended to the signed minutes).

The board noted the report.

32. Actuarial Matters

The board considered the report by the Interim Director of Finance and Support Services from the 2 November 2022 Pensions Committee (copy appended to the signed minutes).

The board noted the report.

33. Update from ACCESS Joint Committee activity (6 October 2022)

The board considered the report by the Interim Director of Finance and Support Services from the 2 November 2022 Pensions Committee (copy appended to the signed minutes).

The board noted the report.

34. Local Government Pension Scheme (England and Wales): Governance and reporting of climate change risks

The board considered the report by the Interim Director of Finance and Support Services from the 2 November 2022 Pensions Committee (copy appended to the signed minutes).

The board noted the report.

35. Investment Performance and Strategy

The board considered the Investment Performance and Strategy report by the Interim Director of Finance and Support Services from the 2 November 2022 Pensions Committee (copy appended to the signed minutes).

The board noted the report.

The meeting ended at 11.45 am

Chairman