

Report to Pension Advisory Board

10 February 2023

Business Plan Update

Report by the Chairman of the Pension Advisory Board

Summary

This report provides an update on progress in achieving the key tasks and activities for 2022/23 set out within the Business Plan of the Board and details of the annual review process to be undertaken towards the end of February. The reports also provide an update on training for Pension Advisory Board members.

The business plan update report considered by the Pensions Committee at its meeting on 30 January is included for the Board to review how their Plan is progressing, developments in the training strategy, and any variations in the risks.

Recommendations

The Board is asked to note the updates to the Business Plan of the Board and of the Pensions Committee.

Proposal

1. Background and context

- 1.1 The Board considered its Business Plan for 2022/23 on 16 May 2022, and in line with the Board's Terms of Reference, the Plan was approved by the County Council's Governance Committee on 6 June.
- 1.2 As part of its core business activity, the Board reviews progress on achieving the key tasks and activities at each meeting. Similarly, the Board considers updates on progress for the Pensions Committee's Business Plan at each meeting, particularly as these include information on risk management, internal audit, and training.
- 1.3 Progress in the current year continues to be constrained pending action by the Department for Levelling Up, Housing and Communities (DLUHC) to bring forward consultations on new initiatives. Some further indication of progress is given in the separate report Regulations and Governance Update on the agenda.

2. Business Plan update

- 2.1 The Board has met virtually during the pandemic on a fairly successful basis, but the September and November 2022 meetings were held on a hybrid basis, allowing for physical attendance and virtual attendance by those for whom it was more practicable.
- 2.2 This produces a 'new' flexibility to meetings, although most members have been able to, and wish to, attend physically. Attendance by outside advisers, e.g. Hampshire County Council for administration and Hymans for the valuation, is also more efficient on a virtual basis. Similarly, training sessions can be more easily organised online.
- 2.3 The Board has been able to maintain its schedule of core on-going work as set out in the Plan, and to keep abreast of developing issues. Some of the national initiatives held back from last year have still to emerge in terms of consultation and progress is being monitored. A brief review of progress in delivering special activities and reviews is set out in **Appendix A**.

3. Annual performance review

- 3.1 In previous years, the Chairman has undertaken reviews with each Board member, with key officers, and with the Chairman of the Pensions Committee. For Board members, these take the form of written self-assessments combined with face-to-face interviews. Details of the format for these reviews is set out in **Appendix B**.
- 3.2 In the past, the review process has taken place in January prior to the Pension Advisory Board (PAB) meeting in February. However, for several reasons, particularly the slow progress on national developments and new members joining the Board part way through the year, the review process has been delayed.
- 3.3 The process will now take place towards the end of February 2023 after the Board's full schedule of meetings has been completed, and the results of the annual review will be reported to the Board in May. This will include a short summary report for inclusion in the Fund's annual report.

4. Pensions Committee Business Plan

- 4.1 A copy of the Pensions Committee's update report to their meeting on 30 January is attached as **Appendix C**.
- 4.2 The Board's attention is drawn to:
 - The update on training and the training log in section 3 and Appendix A, noting the progress on the Hymans training (LOLA)
 - The update on risks in section 4, noting the revisions that have been made as shown in Appendix B

- The update on audit and controls in section 5 and the summary in Appendix C.

5. Training

- 5.1 Maintaining knowledge and skills is a mandatory requirement for Board members and is assisted by the circulation of briefing papers, Committee/Board reports, and external links to national websites.
- 5.2 The Hymans LGPS Online Learning Academy (LOLA) has been introduced as a baseline for training needs for both Board and Committee. Other training is made available through in-house presentations and external courses and seminars. The Board's training log forms part of the Business Plan Update to the Pensions Committee.

6. Other options considered (and reasons for not proposing)

- 6.1 N/A

7. Consultation, engagement and advice

- 7.1 N/A

8. Finance

- 8.1 The Board has a budget agreed as part of its business plan, but this has not been affected in any significant way by the pandemic.

9. Risk implications and mitigations

- 9.1 ***Failure to manage work efficiently and effectively*** – The circulation of information papers to replace the cancelled meeting and the use of virtual meeting arrangements has enabled the Board to continue to work as efficiently and effectively as possible.
- 9.2 ***Failure to account for activities and performance*** – updates to each meeting monitor performance and the end year position will be reviewed in the usual way.

10. Policy alignment and compliance

- 10.1 The Board's business plan is developed to be consistent with the Pensions Committee's plan.

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Appendices

Appendix A - Progress update on the Board's special activities and reviews

Appendix B - Details of the annual performance review process

Appendix C - Pensions Committee's Business Plan Update (30/1/23)

Background papers

None