

West Sussex Pension Advisory Board

Business Plan 2022/23 performance report

Board establishment

The Board's structure remains the same with six representative members and an independent (non-voting) Chairman. Consistency in Board member appointments has been maintained with the re-appointment of Miranda Kadwell and Kim Martin. However, two vacancies arose in the year with the retirement of Chris Scanes and the resignation of Tim Stretton, following his appointment to the Pensions Committee.

Both vacancies were filled following an interview process in July 2022 and the Board welcomed two new member representatives, Chris Curry and Richard Walton. Unfortunately, Chris Curry resigned in February due to an unexpected increase in workload.

Richard Cohen's appointment is due for review in May 2023, and he has indicated to the Chairman that he is prepared to continue for a final four year term. However, Miranda Kadwell is moving to a new job in the summer which means that she will no longer be eligible to be a member of the Board. The process for recruiting two new members is underway.

Notwithstanding the changes that have or will be taking place in the Board membership, the Board has continued to deliver its responsibilities, assisted by the training that has been undertaken.

Board meetings

In line with County Council policy, meetings moved to a 'hybrid' format in September 2022. This provides for as many members as are able and the public to meet at County Hall, with others able to attend remotely. This has proved to be particularly useful for those members who have not been able to travel to Chichester due to work commitments, and also for advisers attending for one or two items.

The Board held four meetings during the year, one fully virtual and three on a 'hybrid' basis, and with good attendance. The business for each meeting has been in line with the core work plan agreed 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. Relevant interests are recorded, and any changes declared at each meeting. There have been no conflicts of interest potential or otherwise.

The Board meets a short period after each meeting of the Pensions Committee and receives the agreed minutes, certain reports as submitted to and considered by the Pensions Committee on the Business Plan updates, including risks, on

administration, on the ACCESS pool, and other issues. This avoids the need to produce separate reports for the Board which duplicate those submitted to the Committee. This has worked well in the year in keeping the Board informed of the Committee's decision-making process.

The Board has established standing agenda items on regulations and guidance (with references to the Local Government Pensions Committee (LGPC), the Scheme Advisory Board (SAB) and the Pensions Regulator (tPR) websites) which not only provide updates on changes but also provide a source of reference for the statutory regulations and guidance. This is a key element in helping the Board members to keep up to date and maintain a suitable level of knowledge and understanding.

In terms of what has been achieved during the year, the schedule below shows actions against key tasks and demonstrates that a comprehensive programme of work has been completed. However, the aftereffects of the pandemic have continued to severely disrupt progress on national initiatives driven by central Government (the Department for Levelling Up, Housing and Communities (DLUHC)), SAB and tPR. This has meant that governance and regulatory changes deferred in 2020 and 2021 that the Board were expecting in 2022 did not happen, and recovery of progress remains slow.

Annual performance reviews

In terms of individual Board member's perceptions of performance, these were covered in the one-to-one performance review meetings held remotely in February/March. Some of the key conclusions are summarised below.

The current year 2022/23 - There was a general acceptance that physical meetings are preferred to virtual meetings as they give the opportunity for more interaction. The Board has continued to operate effectively and doing all that it can, despite the lack of progress on national initiatives.

The year ahead 2023/24 - There was a general consensus that the Board should continue to maintain its core work but that the Board's involvement in pending changes in governance and compliance requirements was to a large extent dependent on progress with national initiatives. The key areas for attention next year are listed below.

Knowledge and understanding - Members agree that the Board has a good standard of underlying knowledge and understanding and needs to maintain a process of regular updates and refreshers. The Hymans Robertson LGPS Online Learning Academy (LOLA) has proved to be very effective. Members also welcomed the internal training sessions held jointly with the Committee to cover common areas of interest.

Personal contributions – All were satisfied with their role on the Board and considered there was a valuable spread of experience and knowledge of different aspects of the management and administration.

Pensions Committee – The relationship with the Committee works well through the exchange of reports and members were aware of the offer to attend Committee meetings, although availability of time was a constraint. The appointment of Tim Stretton to the Committee was seen as a useful cross-over of experience.

Scheme manager interaction – There was a consensus that the working arrangements were good and effective currently. The officers were proactive, supportive, and responded well to questions. The involvement of Hampshire County Council in Board meetings has been valuable and gives the assurance of good service.

Areas for attention

These are the areas where work will be required in the coming year, subject to progress on national initiatives:

- Outcome of SAB Good Governance Review
- tPR's new General Code of practice (expected in the summer)
- Strategic investment issues, subject to DLUHC regulation changes
- Climate change reporting (awaiting DLUHC guidance)
- Pooling governance, due to be revised following the Spring Budget
- Implementation of the Pensions Dashboard programme
- Potential pensions/cyber scams – controls and warnings to members

Chairman's comments

The Board has continued to work well through difficult circumstances and completed its programme of core business, but is frustrated by the lack of progress on national initiatives. There was a distinct feeling that the Board has been 'marking time' over the past three years but that changes are coming finally during 2023.

I am extremely grateful for the input from each member without which the Board's work would not be as effective and I am reassured in the ability of the Board to tackle new challenges in the coming year.

Pension Advisory Board - Business Plan 2022/23
Annual update on special activities and reviews

Planned activity	Current progress
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Business Planning and Performance

<p>Agree programme of work and monitor progress</p>	<p>No special activities were planned.</p> <p>The Pension Advisory Board (PAB) held its first 'hybrid' meeting on 5 September 2022 and welcomed the flexibility this provided for those unable to make a meeting in person.</p>
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Compliance checks

<p>Review arrangements for replacing/updating CIPFA guidance in the future</p>	<p>The Scheme Advisory Board (SAB) has established a new Compliance & Reporting Committee. A review of their workplan was reported to the PAB meeting in November and further activity is being monitored.</p> <p>It is expected that the SAB Committee will take over the formulation of guidance under the CIPFA 'banner'</p>
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Governance arrangements

<p>Review new tPR Combined Code for compliance requirements (due in October 2022)</p>	<p>Although the draft Code was reviewed in the consultation in 2021/22, the final version has still not been issued, but is expected shortly. It is not yet clear how definitive the code will be in relation to the Local Government Pension Scheme (LGPS), and this will need to be reviewed.</p>
<p>Review any consultation from Department for Levelling Up, Housing and Communities (DLUHC) on implementing the SAB proposals on future governance arrangements, the Good Governance Review</p>	<p>DLUHC officials are said to be in agreement with much of what is proposed but there is no indication yet of the extent of change and when the consultation process will start.</p>

Planned activity	Current progress
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Administration procedures and performance

Consider scope for comparative standards and performance indicators	<p>Scheme Annual Report published in May. Scheme fund account returns (SF3) data published by DLUHC in July 2022.</p> <p>This area is likely to form part of the governance review changes</p>
Review controls relating to pensions/cyber scams	The PAB received a review and update of arrangements at its meeting in May 2022 and has reviewed the regular reports considered by the Pensions Committee.

Investment and funding

Review revised guidance on investment strategy issued by DLUHC when available	<p>The DLUHC issued a consultation on the governance and reporting of climate change risks on 1 September 2022. The response from the Pensions Committee was considered by the Board prior to the deadline for submission on 24 November. The outcome is awaited.</p> <p>Further consultation on the investment regulations is expected later in 2023.</p>
Monitor progress on the valuation and changes to funding strategy	<p>Progress reported to each meeting.</p> <p>Revised Funding Strategy Statement reviewed at September 2022 and February 2023 meetings</p>
Review any regulatory changes relating to compliance on pooling	<p>Agreed to participate in observer arrangements for the ACCESS Pool</p> <p>Consultation on new regulations and guidance is expected soon following announcements in the Spring Budget</p> <p>The pooling arrangements and asset strategy are reviewed at each meeting.</p>
Review guidance on responsible investment when issued	Consultation not expected until later in 2023

Planned activity	Current progress
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Communications

Review information provided on potential pensions/cyber scams	<p>Issues raised at the May 2022 meeting and now reviewed at each meeting.</p> <p>Communications is now a standing item on the agenda.</p>
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