

## **Pensions Committee**

**26 July 2023**

### **Business Plan**

#### **Report by Director of Finance and Support Services**

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##### **Summary**

The Pensions Committee approved its Business Plan for 2023/24 in April.

Appendix A provides a summary of the Business Plan priorities. The following updates are highlighted in terms of deliverables to date for the year:

- There is no further indication when the Pensions Regulator single code of practice will be confirmed, or the Good Governance guidance from central government for the LGPS. However external advice has been provided to the Director of Finance and Support Services which considers the arrangements in place to administer the West Sussex LGPS. This is being considered.
- The pensions team will work over the next quarter with WSCC and third parties to discuss how they identify and manage cyber and data risks. This will inform a cyber assessment and incident response plan.
- Arrangements are progressing to initiate the timetabled open tender for a property manager, for completion by 31 March 2024. Work also continues with ACCESS colleagues in relation to procurement for Operator Services, for completion by 31 March 2025. Submissions from providers in response to the County Council's timetabled call off against the National LGPS framework for a Fund Actuary are being considered by officers.
- Updates to the Investment Strategy Statement have been discussed with the Committee prior to consulting interested parties. However, it is expected that the Government response on its Climate Disclosure consultation will not be provided until later this year. In the interim, officers are working with appointed fund managers to understand the existing framework and data coverage relating to climate-related financial disclosures.
- The Government [consultation on proposals](#) relating to the investments of the Local Government Pension Scheme (LGPS) has been published. This covers areas of asset pooling, levelling up, opportunities in private equity, investment consultancy services and the definition of investments. This is being considered. Work continues in relation to a pooled asset solutions for management of illiquid assets.

- [Hymans](#) and the [LGA](#) responded to the Government consultation on the McCloud remedy which considers a number of items, including on aggregation, the impact of services in other public service pension schemes, flexible retirement provisions and how the underpin calculations interact with divorce cases. There is no further update on the remedy timetable for Goodwin.

The draft Pension Fund Accounts for the financial year 2022/23 were completed and published by the statutory deadline of 31 May 2023. The audit is expected to commence in late summer.

Appendix B provides an update on the risk matrix. The following are highlighted:

- The risk of a successful cyber-attack directly from external threats; or indirectly because of members or staff actions continues to be rated as a red risk.
- Resourcing within the County Council and Pensions team is considered a red risk following staff changes and the impact of the implementation of a new County Council financial system.
- The role of government policy on the management and benefits of the Scheme, including the impact on the investment strategy is also considered a red risk – with the Government [Consultation](#) on LGPS investments having been published and the [Economic Activity of Public Bodies \(Overseas Matters\) Bill](#) progressing through Parliament. The implications on the West Sussex Pension Fund are being reviewed.

Appendix C provides an update on training available and completed. Members are reminded of the importance of completing the LGPS Online Learning Academy modules to support their role as Pension Committee members and the maintenance of the Pension Fund's professional status.

Appendix D provides an update on internal audit work completed and in scope. "Reasonable" or "Substantial" audit opinions have been provided on audits completed in 2022/23. The outcome of the Pension Refunds audit is expected prior to the next Pensions Committee. An audit of interactions between Hampshire Pension Services and West Sussex Pensions team systems and processes relating to the recovery of overpayments and pensions transfers are expected to complete by 31 December 2023.

### **Recommendation:**

- (1) The Committee notes the update on Business Plan activities for 2023/24.
  - (2) The Committee provides comments on the risk matrix.
  - (3) The Committee reviews the training completed and advises officers of any additional requirements to support their development of the necessary skills and knowledge to act effectively as a member of the Committee.
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**Appendices**

Appendix A – Summary of Business Plan Priorities

Appendix B - Risk Register

Appendix C – Training Log

Appendix D – Internal Audit Work Completed / Planned

**Background papers**

None

**Recommended Training**

None

