

Pensions Committee

1 November 2023 – At a meeting of the Pensions Committee held at 10.00 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Hunt (Chairman)

Cllr Condie, Cllr J Dennis, Cllr Elkins, Cllr N Jupp, Cllr Turley, Cllr Urquhart, Mr Kipling, Mr Stretton and Mr Chilton

Part I

20. Declarations of Interests

20.1 Cllr. Roger Elkins declared an interest in respect of his membership of the West Sussex Local Government Pension Scheme.

21. Part I Minutes of the last meeting

21.1 Resolved – That with an edit to minute 7.1, final word, penultimate sentence, 'September' to read 'November' the Part I minutes of the Pensions Committee held on 26 July 2023 be approved as a correct record, and that they be signed by the Chairman.

22. Pension Advisory Board Minutes - Part I

22.1 The Committee considered the confirmed Part I minutes from the 28 July 2023 Pension Advisory Board meeting (copy appended to the signed minutes).

22.2 Resolved – That the minutes be noted.

23. Business Plan

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

23.2 Taryn Eves, Director Finance and Support Services, introduced the report and drew the Committee Members' attention to the key points as set out in the summary.

23.3 Vickie Hampshire, Finance Manager, Pension Fund Governance, highlighted, as set out at Appendix C, that Committee Members would receive an email later in the day concerning the LGPS Knowledge Progress Assessment and were asked to complete the assessment by 14 November 2023.

23.4 The Committee made comments including:

- a. to highlight that the mandate with property manager Abrdn had been extended to September 2024 to fit in with the procurement process for a new contract
- b. to question on RT 12, employer admissions, how many employers were coming into the Scheme, what the eligibility requirements were and whether any employer could be refused. Rachel Wood, Pension Fund Strategist, explained that 20 employers had joined the West Sussex Scheme in the last year and 11 more were scheduled to join and that the majority of these employers were academies. Rachel Wood further explained that there was no discretion on the acceptance of academy employers and most admitted bodies following an outsourcing so these were normally admitted. In the case of community interest bodies, there was more discretion, including the option to refuse admission
- c. to question whether problems with employers not providing the required data contributed to risk RT12. Steven Law, Fund Actuary, explained that this was the case, also that the smallest employers could take up a great deal of officer time and that most outsources of schools to academies take place from 01 September which makes this a very busy period. Steven Law also pointed out that there was a risk to pension fund members of any delay in signing initial joining agreements, in that the pension fund sees such members as deferred during that time
- d. to question on RT 13, risk of cyber-attack, when this might be expected to improve from red to amber. The Chairman explained his understanding that this risk was ever-present and despite continued management and mitigation would never move from red to amber as cyber-attacks could not be prevented
- e. to question whether there was a risk around the County Council's anticipated new content management system, Smartcore. Taryn Eves explained that at this stage no risk was identified but, at a later date, adequate staff resource requirements related to the implementation of the new system would be considered.

23.5 Resolved – that:

1. The Committee noted the update on Business Plan activities for 2023/24
2. The Committee provided comments on the risk matrix and audit work
3. The Committee Members reviewed the training completed and advised officers of any additional requirements to support their development of the necessary skills and knowledge to act effectively as members of the Committee.

24. Pension Administration

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

24.2 Rachel Wood, Pension Fund Strategist, introduced the report and highlighted key points as set out in the summary. Committee Members' attention was also drawn to the 'Project Work: AVC Review' section and arrangements to move from provider Standard Life to Legal and General.

24.3 The Committee made comments including:

- a. to note that single schools converting to academy status often needed professional support to handle the pensions element of their conversion and given that the external trusts were professional pay bodies it was surprising that the provision of internal advice was not better. Stephen Law, Fund Actuary, acknowledged that the outsourced payroll bodies often struggled with this work
- b. to note with regard to paragraph 7.6, concerning four scheme members nearing retirement with AVC funds currently at Standard Life, that the pensions officer team would write to them to advise that the funds would close. Rachel Wood added that legal advice was being sought on the reasonable timescales for this process
- c. on employer performance on data return to question, whether there were sanctions that could be applied to those who persistently failed to share data in a timely way. Rachel Wood explained that there was opportunity to charge employers where costs had been incurred. Andrew Lowe, Assistant Director Pensions, Hampshire County Council, added that the approach of the administrative officer team was always on support, engagement and education
- d. on portal access, to highlight that the top line figure on website hits had doubled over the quarter. Andrew Lowe explained that hits generally increased at this time as it was the time of publication of new payslips (for pensioners) and Annual Benefit Statements (for active and deferred scheme members)
- e. on academy employers, to question what could be done to improve their engagement and performance. Rachel Wood confirmed that support and training was offered and that the team was aware of the growth of these employers and the challenge posed. Taryn Eves, undertook to bring to the Committee a report on the employers training process and any options to enact discretions
- f. on reporting, whether an analysis was made of poor compliance, timeliness and quality of data supplied by employers. Rachel Wood explained that this was gathered at end of the financial year and a mid-year validation exercise undertaken and that targeted training was available, also that development of the employer portal continued and this would reduce form-filling requirements
- g. on compliance, to question whether the Pensions Advisory Board had a role in supporting good quality employer returns. Rachel Wood agreed that it did and could be asked to monitor assistance to the Scheme Manager to secure compliance and report back in due course
- h. on portal access, to question whether the figures set out related to the number of scheme members accessing the

portal over the quarter or the number of times the portal was accessed. Rachel Wood and Andrew Lowe explained that the data referred to the number of times the portal was accessed.

24.4 The Chairman thanked Committee Members for their comments and confirmed that no one had any questions on Appendix B.

24.5 Resolved – that the Pensions Committee noted the report and approved the updated Funding Strategy Statement at Appendix B.

25. Review of Administering Authority Discretions

25.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

25.2 Rachel Wood introduced the report and explained the intentions of the review as set out in the summary.

25.3 The Committee made comments including:

- a. to thank the pensions officer team for its work in undertaking the review
- b. to question the meaning of the term 'non-Club' referred to at paragraph 1.7 (e). Steven Law explained that this referred to non-public sector funds
- c. to note that Discretion R100(6) under Delegation or Policy should read 'An extension beyond 12 months ...' Rather than 'An extension to 12 months'.

25.4 Resolved – that the Committee approved the draft Administering Authority Discretions Policy at Appendix A.

26. Financial Information Report

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

26.2 Taryn Eves, Director of Finance and Support Services, introduced the report and highlighted that the pension fund was currently valued at £5,257.1bn, a slight decrease from the last report in June. Committee Members noted that this remained a healthy position and that a positive cash flow was still forecast for the year.

26.3 Resolved – that the Pensions Committee noted the report.

27. Government Consultation "Local Government Pension Scheme (England and Wales): Next steps on investments"

27.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

27.2 Rachel Wood introduced the report and explained that the appended consultation response was in line with the draft circulated to members previously and referenced the comments received. It had also been shared with the Chairman of the Pension Advisory Board who was supportive of the draft and no response had yet been received from government.

27.3 The Committee made comments including:

- a. to note that the response submitted was not unlike responses from other contributors
- b. to comment that responses appeared to reflect basic common sense.

27.4 Resolved – that the Pensions Committee noted the County Council’s response to that was submitted by the deadline of 02 October 2023.

28. Date of Next Meeting

28.1 The Committee noted that its next scheduled meeting would take place on 29 January 2024 at County Hall, Chichester.

29. 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 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.

Exempt paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

30. Part II Minutes of the last meeting

The Committee agreed the Part II minutes of the Pensions Committee held on 26 July 2023.

31. Pension Advisory Board Minutes - Part II

The Committee noted the contents of the Part II minutes from the 28 July 2023 Pension Advisory Board meeting.

32. Investment Strategy Implementation

The Committee considered a report by the Director of Finance and Support Services.

The Committee noted the report.

33. Update from ACCESS Joint Committee activity (September 2023)

The Committee considered a report by the Director of Finance and Support Services.

The Committee noted the report.

34. Advisor Commentary

The Committee considered a report by the Director of Finance and Support Services.

The Committee noted the report.

35. Presentation by Baillie Gifford

The Committee received an update from Baillie Gifford on portfolio performance for the quarter.

The Committee noted the report.

The meeting ended at 1.15 pm

Chairman