

West Sussex Pension Advisory Board**Business Plan 2023/24 performance report****Board establishment**

The Board's structure remains the same with six representative members and an independent (non-voting) Chairman, but individual membership has changed with the departure of Miranda Kadwell and Chris Curry during the year.

The member representative vacancy was filled in June following an interview process and the Board welcomed Ann Phillips to the July meeting. Unfortunately, advertisements for a new employer representative failed to secure any applications. The position has been re-advertised and it is hoped to appoint a new member in the Spring. Richard Cohen was re-appointed for a final four-year term. He has been a member of the Board since its inception and provides continuity.

Although there have been changes in the Board membership, the Board has continued to deliver its responsibilities, assisted by the training that has been undertaken by all members.

Board meetings

The Board held four meetings during the year and with the option of attending on a virtual basis, there has been good attendance. Most members attend in person unless they are not able to get to County Hall for the meeting due to work or other commitments.

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 Committee on the business plan updates, including risks, on administration, on the ACCESS pool, investment implementation and other issues relevant to the Board. This minimises the need to produce separate reports for the Board and avoids duplication with 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 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 (DLUHC), SAB and tPR. This has meant that governance and regulatory changes deferred in 2020, 2021 and 2022 that the Board were

expecting in 2023 did not happen with the exception of a consultation by DLUHC on investments and pooling, 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 virtually in January. Some of the key conclusions are summarised below.

The current year 2023/24 - There was a general feeling that the Board has continued to operate effectively in dealing with core business. However, there was some frustration with the lack of progress nationally on governance issues that will directly affect the Board's activities, e.g. the Good Governance Review and tPR's new General Code of Practice.

The year ahead 2024/25 - The recent publication of tPR's new Code was welcomed and with it coming into force from the start of 2024/25, this will be a major development to address in order to ensure compliance with any new requirements. The key areas for attention next year are listed below.

Knowledge and understanding - Generally, members consider that they have a good standard of underlying knowledge and understanding and welcome the process of regular updates and refreshers.

The Hymans Robertson LGPS Online Learning Academy (LOLA) has proved to be very effective but all the modules have been updated and members are at various stages in re-taking them. All members had undertaken the Hymans Knowledge Progress Assessment in the Autumn but most were not satisfied with the results. It was felt generally that the questions were framed in a way that was confusing and not all were directly relevant to the Board's responsibilities. The outcomes will be reviewed to consider whether there are areas for more focused training.

Some members asked about knowledge building in areas, e.g. investment implementation which, though not directly related to the Board's work, would help in a more wider understanding of some of the issues addressed in Committee papers. Some members had attended external training sessions and seminars but felt that some were too detailed and time intensive. Online seminars and webcasts which are generally more focused were preferred.

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. Those new to the Board felt that they were building valuable experience the more meetings they attended and the more they became familiar with the issues being covered.

Both of the employer representatives have agreed to assist in developing communications and engagement for scheme employers. One member has offered to provide informal tutoring on some of the more complex investment issues and practices. Two members have attended a meeting of the ACCESS Joint Committee as observers on a rota basis with other participating funds. Some members are able to offer feedback from discussions with colleagues about their experiences with the administration and where relevant, these will be raised with Hampshire Pension Services.

Pensions Committee – The relationship with the Committee continues to work well through the exchange of reports and members were aware of the offer to attend Committee meetings, although availability of time was a constraint.

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 Pension Services 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 (issued January 2024)
- Strategic investment issues and pooling governance, subject to DLUHC regulation changes
- Employer communications and engagement

In the slightly longer term, though preparatory work may be necessary:

- Climate change reporting (awaiting DLUHC guidance)
- Implementation of the Pensions Dashboard programme

Chairman's comments

The Board has continued to work well and completed its programme of core business. Despite slow progress on National developments, these seem set to emerge during the coming year and will present new challenges to the Board.

As Chairman of the Board, 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 these new challenges in 2024/25. My term of appointment comes to an end in May 2024 and I shall be retiring from the position of Chairman. I have no doubt that the incoming Chairman will be assisted fully by the members of the Board.

Pension Advisory Board - Business Plan 2023/24
Annual update on special activities and reviews

Planned activity	Current progress
Business Planning and Performance	
<p>Agree programme of work and monitor progress, undertake an assessment of performance and agree a report for inclusion in the Fund Annual Report</p>	<p>Core tasks have been completed. The programme was agreed in May and progress is monitored at each meeting. Performance reviews took place in January 2024.</p>

Compliance checks	
<p>Review policy on conflicts of interest, Fund annual report and accounts, statutory policy statements, and changes in regulations. Monitor new CIPFA guidance.</p>	<p>Core tasks have been completed. The work of the SAB Compliance & Reporting Committee on reviewing CIPFA guidance is being monitored as reported. No new guidance has been issued to date.</p>

Governance arrangements	
<p>Review Pensions Committee decisions, updates on the risk register, audit reports and assurances on internal controls. Monitor developments from the SAB and tPR. Respond to surveys and requests for information.</p>	<p>Core tasks have been completed. The results of the consultation on tPR's new General Code were issued in January 2024 and the new Code has been laid before Parliament to come into force at the end of March. DLUHC has yet to issue any consultation or intentions on the new governance arrangements proposed by SAB.</p>

Administration procedures and performance	
<p>Review the administration reports, and monitor notifiable events, key performance indicators, recording of complaints and IDRPs cases, membership numbers, data quality and integrity, contribution payments and key internal procedures and controls.</p>	<p>Core tasks have been completed. The Scheme Annual Report published by SAB in May and the SF3 data published by DLUHC in July were reviewed. Board received a review and update of controls relating to pensions/cyber scams in May and has reviewed the regular reports considered by the Pensions Committee. Introduction of the Pensions Dashboard programme has been delayed by the Government.</p>

Investment and funding

Review the investment strategy statement and funding strategy statement for compliance.

Review the valuation process for compliance and good practice.

Review developments in the pooling arrangements and monitor processes for measuring investment performance and costs.

Monitor developments on responsible investing and ESG issues.

Core tasks have been completed.

DLUHC issued a consultation in July on "The Next Steps on Investments" which includes policy on pooling. This was reviewed by the Board in July and the Chairman commented subsequently on the Fund's draft response. The response from West Sussex was submitted by the deadline of 2 October and was reviewed by the Board at its meeting in November.

The proposed guidance on climate change reporting for LGPS funds has been delayed by the Government into 2024/25. Progress is being monitored.

Communications

Review information provided on potential pensions/cyber scams

Communications is now a standing item on the agenda and information on potential pensions/cyber scams is being monitored.

Training

Maintain training log and review activity. Monitor training strategy and identify opportunities for in-house and external training.

The training log is now managed centrally combining Committee and Board activity, and training opportunities are notified to members of both. Individual training needs for Board members are considered in the annual performance review meetings.

Training is reported to each meeting of the Committee and Board as part of the Business Plan updates.