

Pension Advisory Board – Unconfirmed Minutes

9 February 2024 – At a meeting of the Pension Advisory Board held at 9.30 am at County Hall, Chichester PO19 1RQ.

Present: Peter Scales (Chairman)

Richard Cohen, Becky Caney, Ann Phillips and Richard Walton

Apologies were received from Kim Martin

Part I

31. Declarations of Interests and Conflicts

31.1 None declared.

32. Part I Minutes of the last meeting

32.1 Resolved – That the minutes of the meeting of the Board held on 13 November 2023 were approved as a correct record and signed by the Chairman.

33. Pensions Committee

33.1 The Board considered the confirmed part I minutes from the 01 November 2023 Pensions Committee meeting and the agenda from the 29 January 2024 Pensions Committee meeting (copies appended to the signed minutes).

33.2 The Chairman highlighted minute 24.3 (g.) and explained that Rachel Wood, Pensions Strategist, was undertaking a piece of work for the Committee concerning support for ensuring good quality employer returns and this would involve support from two Board members.

33.3 Resolved – That the minutes and agenda were noted.

34. Business Plan Update

34.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).

34.2 The Chairman introduced the report and invited comments and questions on the Board's business plan performance 2023/24 at Appendix A including the update on special activities and reviews. The Board noted that the Pensions Regulator's General Code had been laid before parliament and officers were working on the code and this would come to a future meeting. Progress was slow on other national initiatives. The Board noted the Foreword at Appendix B which would be included in the Pension Fund Annual Report.

34.3 The Board also considered its draft Business Plan 2024/25 and noted that there were few special activities but that those that were listed would require considerable attention and could be quite time consuming.

34.4 The Board members made comments on the Business Plan Update including to note the pending change of Chairmanship of the Board, the first since its inception, and raised concerns on the risks generally of loss of knowledge and experience when members left the Board. Board members also questioned the processes and content of succession planning. The Director Finance and Support Services acknowledged that this was a risk and that there was a robust process in place to seek suitable candidates for Board roles who had the required knowledge and experience for the role. The process included efforts to facilitate early opportunities for members to meet with one another and build relationships. However, the Director undertook to revisit the induction plans and plans for the incoming Board Members, including for the Chairman, and consider what additional steps might be encouraged to support their induction.

34.5 Resolved – That the Board:

1. agreed the performance report for 2023/24 in **Appendix A**, and that the Pensions Committee and Governance Committee be informed;
2. agreed the performance information for inclusion in the pension fund annual report for 2023/24 as set out in **Appendix B**.
3. agreed the draft PAB Business Plan for 2024/25 in **Appendix C** and that the Pensions Committee be informed.

35. Administration procedures and performance

35.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

35.2 Vickie Hampshire, Finance Manager introduced the report which set out administrative work being undertaken by the Hampshire Pension Services and WSCC teams, including support for case work and quite high numbers of employer movements.

35.3 The Board made comments including to note the extra workload engendered by the continued move to academy status by West Sussex schools, currently around 15 per year.

35.4 Resolved – That the Board noted the report.

36. Communication Strategy

36.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes).

36.2 Rachel Wood, Pensions Strategist, introduced the report which updated the Board on communication with employers and members in line with the Board's Communications Policy Statement.

36.3 The Board was invited to give its feedback on the Pensions Matters Newsletter Winter 2023 at Appendix B and made comments as follows:

- a. To note that a further email highlighting the Newsletter was to be sent to active and deferred members and that it was felt helpful to continue to remind members of Pension scams
- b. On references in the Newsletter to feedback from employers, to comment that it helped to show employers participation and engagement
- c. On employer training sessions, to note that the officer teams providing these outreach events were finding attendance was good
- d. To note that since the administration function had returned from Capita, officers had greater opportunity to build proactive relationships with employers rather than needing to take a 'fire fighting' approach.

36.4 Resolved – That the Board noted the updates.

37. Regulations and Governance update

37.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes). The Chairman introduced his report and reminded members of LGPC Bulletin 246, recently circulated, that arrived after he had completed his report and which had set out new information on pension increases.

37.2 The Chairman referred to information from the Scheme Advisory Board (SAB) and drew members' attention to key points including that the revised annual reporting guidance was scheduled to be produced in the spring and is expected to apply initially on a voluntary basis for the 2023/24 fund annual reports. Also it was noted that concern had been raised at the recent SAB meeting on possible future issues should employer contribution rates be reset to the level, or below the level, of employee contributions.

37.3 The report also gave an update on the implementation of the Pensions Regulators General Code of Practice. The Board made comments including concerning the General Code, that there seemed to be a general trend emerging whereby legislation was laid before Parliament before implementation details had been drafted. The Chairman acknowledged that the procedural details were awaited, that there were currently a lot of 'unknowns' but he anticipated there would not ultimately be a lot of changes to current practice and that further information was expected.

37.4 Resolved – That the Board noted the current issues relating to Scheme Regulations and Governance.

38. Review of Pension Fund Policy Documents

38.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes). Rachel Wood introduced the report and highlighted key points including that comments were invited on two appendices, the draft procedure document for Reporting Breaches of the Law related to the Pension Scheme and the draft Internal Disputes Resolution Procedure.

- 38.2 The Board made comments including:
- a. To question whether it was necessary to include, in the Dispute Resolution document, the Ombudsman's process. It was agreed that this was not necessary and would be reviewed.
 - b. To note that the guidance at page 108 did not echo requirements set out in the extract from the Pension Regulator Code included at Appendix D, that scheme managers must provide evidence that applicants have been made aware of support available from The Pensions Advisory Service. It was agreed that this would be considered for inclusion
 - c. To note that the Dispute Resolution document was not consistent in setting out the time scales for which responses to complaints would be received. It was agreed that this would be reviewed
 - d. With regard to the Breaches Policy draft, to question the second bullet point in the Materiality section, on dishonesty for non-payment of contributions and whether that needed to be recast as the example given was not actually illegal. It was agreed that these points would be separated.

38.3 Resolved:

1. That the Board noted the register of Policy Documents
2. That the Board provided feedback on the policy documents presented at the meeting in respect of their compliance with regulations and guidance.

39. Date of Next Meeting

39.1 The Board noted that its next scheduled meeting would take place on 20 May 2024 at 9.30 a.m. at County Hall, Chichester.

40. 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 set out below 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, financial or business affairs of another person (including the authority)

41. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 13 November 2023 meeting and they were signed by the Chairman.

42. Part II Minutes of the last meeting of the Pensions Committee

The Board noted the contents of Part II minutes from the 01 November 2023 meeting of the Pensions Committee.

43. Strategy Review

The Board considered a report by the Director of Finance and Support Services to the 29 January 2024 meeting of the Pensions Committee.

The Board noted the report.

44. Investment Strategy Implementation

The Board considered a report by the Director of Finance and Support Services to the 29 January 2024 meeting of the Pensions Committee.

The Board noted the report.

45. LGPS Investment Pooling

The Board considered a report by the Director of Finance and Support Services to the 29 January 2024 meeting of the Pensions Committee.

The Board noted the report.

The meeting ended at 11.28 am

Chairman