

Report to Pensions Committee

26 April 2024

Business Plan and Risk Register

Report by Director of Finance and Support Services

Summary

The Pensions Committee approved its Business Plan for 2023/24 in April 2023. Officers have prepared a Business Plan for 2024/25 for the Committee's consideration.

The following updates are highlighted:

- Following a review by the Pensions Committee in 2023, the consultation on the Investment Strategy Statement has been published with results to be provided to the Pensions Committee in July 2024.
- Procurement activity has been completed on the appointment of a Fund Actuary and a Communications Delivery Partner. Procurements are underway relating to a property manager and Operator of the ACCESS Authorised Contractual Scheme.
- Training and support has been provided by the administration team to assist employers to fulfil their responsibilities. This was reflected in the strong performance with publishing benefit statements for members (99.69% of active benefit statements and 99.99% of deferred benefit statements produced for 31 August 2023).

The Business Plan for 2024/25 has been prepared for the Pension Committee's consideration, informed by discussions with and input from the Committee in January. The Plan highlights the overarching objectives, summarised below:

- To maintain robust, and well based governance framework which considers risk management, compliance, and appropriate resourcing and with a future focus on the further guidance expected on Good Governance, demonstrating compliance with the recently published Pension Regulators General Code of Practice, developing the Cyber Security assurance and considering contract management and Value for Money.
- To make the best use of our resources and minimise the long-term cash contributions from employers through the management of assets and liabilities with a future focus on the impact of various announcements and consultations from Government and reflecting on the impact of the cost of living, current inflation, and changes to funding positions.
- To work closely with our partners to ensure all income due is received, payments are made to the right people at the right time and clear communication is provided with a focus on legislative change, for example as a

result of the McCloud remedy, and improvements to the stakeholder communications.

A full risk matrix has been included (Appendix B). The following are highlighted:

- The recent or expected Regulations or guidance relating to the management of the Pension Fund – whether relating to member benefits (McCloud and Goodwin) or the management of pension fund assets.
- Pressure on resources within the team which support the delivery of the Administering Authority functions.
- The challenges presented through the consistent increase in the numbers of employers participating in the Scheme and employer awareness of their role and responsibilities.

Recommendations

- (1) Agree the Business Plan for 2024/25 (Appendix A).
- (2) Provide feedback on the Risk Register (Appendix B).

1 Background

- 1.1 The Pensions Committee maintains a Business Plan which sets out its key priorities and how they will be delivered. This is published on the Pension Fund's webpage. The Committee is updated on a quarterly basis on progress against delivery of the priorities set out within the Business Plan. The Business Plan is reviewed on an annual basis at the start of each financial year. The 2024/25 business plan has been prepared reflecting discussions by the Committee in January.
- 1.2 This report will be shared with the Pension Advisory Board.

2 2023/24 Business Plan

- 2.1 The 2023/24 Business Plan was approved by the Committee at its meeting in April 2023. An update on delivery against the activities agreed for the 2023/2024 financial year has been included within Appendix A (pages 34-38).

3 2024/25 Business Plan

- 3.1 The 2024/25 Business Plan is attached (Appendix A) and pages 7-17 of the Business Plan sets out the priorities for 2024/25.
- 3.2 Overarching objectives have been included relating to governance (a robust and well based governance framework), investment / funding (making the best use of resources and minimising the long-term cash contributions from employers) and administration / communication (to deliver a high-quality administration service to all stakeholders).

4 Update on Risks faced by the Fund

- 4.1 A full risk register has been provided and is set out in (Appendix B). This is regularly reviewed by officers and an update on themes provided to the Committee each quarter.

5 Consultation, engagement, and advice

- 5.1 N/A

6 Finance

- 6.1 Costs relating to the pension fund are recharged or paid directly by the Pension Fund.

7 Risk implications and mitigations

- 7.1 The full risk register is included in Appendix B.

8 Policy alignment and compliance

- 8.1 N/A

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Appendices

Appendix A – Business Plan 2024/25

Appendix B – Risk Register

Background papers

None

Recommended Training

Hymans LGPS Online Learning Academy – Module 5 – Investments