

Pension Panel

1 November 2018

Business Plan and Risk Register

Report by Director of Finance, Performance and Procurement

Summary

This report focuses on the day to day activities of the Fund, as set out originally in the 2018/19 business plan agreed by the panel in April 2018.

It highlights the progress against key tasks and how risks are being addressed or mitigated by that work.

Recommendation

That the progress made on the Fund Business Plan is noted.

That the Training Strategy set out as part of the update is noted and agreed.

Background

1. The Pensions Panel approved its Business Plan for 2018/19 at its meeting in 30 April 2018.
2. The Business Plan is an important document which sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved.
3. The Pensions Panel approach, historically, has been to review its business plan annually at the start of the year and consider the risks faced by the Fund. A report based on any emerging key business issues, issues with a high level of risk identified, any area of concern or any other matter the Director of Finance, Performance and Procurement wishes to bring to the attention of the Panel is then provided to the Panel each quarter.

Business Plan Update on Objectives and Risk 2018/19

4. The below table provides an update on progress against the Business Plan objectives, details the impact on risk and proposes actions for the next quarter.

Progress on LGPS Asset Pooling

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| Update | <p>Officers are active on the Section 151 and the Officer Working Group to ensure the requirement of our Pension Fund are being met.</p> <p>A progress update was provided to Government in mid-October 2018 setting out the work of the Pool against the criteria set by Government.</p> <p>The Operator (Link) is currently negotiating terms with Investment Managers to launch a further series of sub-funds between December 2018 to April 2019.</p> <p>The officer recruitment to the ACCESS Support Unit (ACS) is underway, to provide officer support across the Pooled Funds.</p> |
| Impact on risk | <p>New arrangements for pooling under ACCESS may not meet the requirements of the West Sussex Pension Fund.</p> <p>Failure to comply with Government expectations on asset pooling.</p> |
| Actions for the next quarter | <p>Continued involvement at officer and Member level in the ACCESS meetings.</p> <p>Work on the governance of ACCESS and the role of the Treasurer (S151 officer) expected ahead of the January Pension Panel meeting.</p> |
| GDPR | |
| Update | <p>Updates to the Fund's privacy notice, completing a schedule detailing the parties the Fund shares information with and putting in place a Memorandum of Understanding with all employers to set out the rights and obligations regarding data sharing.</p> <p>Privacy notice updated.</p> <p>Data Sharing Agreements with employers in place with employers at the moment. This is being actively pursued by officers.</p> <p>Ensure that East Sussex CC (who process a small number of records for a College that merged into West Sussex) is GDPR compliant.</p> |
| Impact on risk | Non-compliance with GDPR |
| Actions for the next quarter | Ensure the Fund can evidence that all employers are GDPR compliant. |

Environmental, Social and Governance Matters

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| Update | Officers are regularly reviewing the Funds position regarding those asset classes which it receives the most correspondence on i.e. fracking and fossil fuel investments. |
| Impact on risk | Reputational risk if unresponsive to issues raised Changes to Investment Regulations could affect the investment scope. |
| Actions for the next quarter | Discuss emerging issues relating to Environmental, Social and Governance (ESG) matters with investment managers. Work with ACCESS colleague to reflect ESG policies within any sub-fund arrangements for asset pools. Review Stewardship Code. |

Administration

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| Update | The Pensions Regulators Scheme Return is due on 6th November. The Fund is currently working with Capita to provide analysis of the data held on the Administration system and a resultant data improvement plan. The Fund is required to complete a reconciliation of Guaranteed Minimum Pension records between its own records and records held by HMRC. For deferred and pensioners the Fund is in the final stages and are awaiting a response from HMRC on the queries. For active members we are coming to the end of phase one where queries will be submitted to HMRC. Progress on the pension administration transfer to Hampshire County Council is reported elsewhere on the agenda. |
| Impact on risk | Inaccurate and/or incomplete data retained by the Pension Fund impacting the information provided to members in terms of accuracy and timeliness, and assessment of employer positions. Legislation specifies the records that must be kept and failure to comply is a breach of the law. |
| Actions for the next quarter | Submit return to the Pension Regulator Progress work on the Guaranteed Minimum Pension as required by HMRC. Continue to work with Hampshire County Council and Capita to progress on the pension administration transfer including working with the Fund Actuary on data quality ahead of the 2019 Actuarial Valuation. |

| Training | |
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| Update | <p>A log of training completed and available is included at Appendix A.</p> <p>Plan drafted and attached to this update at Appendix B (including annexes).</p> |
| Impact on risk | Knowledge and understanding of the Board and Panel members may not comply with the requirement to have the appropriate knowledge and understanding. |
| Actions for the next quarter | <p>Agree and implement the Plan.</p> <p>The Pension Advisory Board has a high standard of knowledge set for it by the Pension Regulator and there may be merit in using any sessions set up for the Panel to provide joint training with members of the Pension Advisory Board also.</p> |

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Appendices

Appendix A - Completed and Upcoming Training Log at 30 September 2018

Appendix B – Draft Training Strategy

Background Papers

None