

Pension Advisory Board

26 February 2020 – At a meeting of the Board at 9.30 am held at County Hall, Chichester, PO19 1RQ.

Present: Peter Scales (Chairman)

Kim Martin, Becky Caney, Chris Scanes (Arrived at 9.42.) and Tim Stretton

Apologies were received from Richard Cohen, Miranda Kadwell, Nadine Muschamp and Adam Chisnall

Officers in attendance: Rachel Wood (Pension Fund Investment Strategist), Tara Atkins (Principal Pensions Consultant (Administration & Employers)) and Rob Castle (Assistant Democratic Services Officer)

Part I

49. Declarations of Interests and Conflicts

49.1 No interests or conflicts were declared, but Rachel Wood, Pension Fund Investment Strategist told the Board that a Conflicts Policy relating to the pensions fund would come to a future Board meeting.

50. Part I Minutes of the last meeting

50.1 Resolved – That the part I minutes of the meeting of the Board held on 20 November 2019 be approved as a correct record and signed by the Chairman.

51. Terms of Reference

51.1 The Board considered its revised Terms of Reference (copy appended to the signed minutes) and discussed the following points: -

- In paragraph 7 it was highlighted that the Board should meet no fewer than four meetings a year yet only 3 months are mentioned for proposed dates. – **ACTION:** Rachel Wood to investigate and update the Terms of Reference at their next review.
- The Chairman's terms of office were not restricted.
- The Board queried whether the Chairman needed to be present for the Board to be quorate – *Rob Castle checked this post meeting and determined that the Chairman did not need to be present for the Board to be quorate. In the absence of the Chairman, the Board should elect a Chairman for the meeting.*

51.2 Resolved – that the Board notes its revised Terms of Reference with the clarification over meetings addressed

52. Progress Report

52.1 The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes). The following points were discussed: -

- It was hoped to invite the Pension Regulator to a future Board meeting in conjunction with a Pensions Panel training session.
- The breach log would be reported consistently between the Pensions Panel and the Board going forward.

52.2 Resolved – that the Board notes the report.

53. **Pensions Panel Minutes - Part I**

53.1 The Board considered the confirmed part I minutes from the 25 October 2019 Pensions Panel meeting; and the Agenda from the 27 January 2020 Pensions Panel meeting (copies appended to the signed minutes).

53.2 The Board learned that the Retail Prices Index could be replaced by the Consumer Prices Index in future actuarial valuations and discussed death grants.

53.3 Resolved – That the Board notes the minutes and agenda.

54. **Business Plan Update**

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

54.2 The Board discussed the report and made the following points regarding Appendix A: -

- Under business planning and performance the number of members that attended the employer AGM in July should read four not three – **ACTION:** The Chairman to update the report.
- Under governance arrangements the special presentation made by internal audit was not made at the February meeting - **ACTION:** Rachel Wood to advise when the presentation would take place.
- Under governance arrangements the review of internal procedures and controls relating to third party contracts by internal audit did not take place in February - **ACTION:** Rachel Wood to advise when the review would take place.
- Under communications a note to be added that communications were further reviewed at the February meeting – **ACTION:** The Chairman to update the report.
- Under Pension Advisory Board 2019/20 training the entry for Internal Audit to be deleted and entry for Becky Caney attending CIPFA LPB Spring Seminar to be deleted – **ACTION:** The Chairman to update the report.
- Dates to be added to the Pension Advisory Board 2019/20 training table – **ACTION:** Rachel Wood to add dates to the table when it is incorporated into the Board’s annual report.
- All Board members to be made aware that the Annual General Meeting will take place on 22 July.

54.3 - The Board made the following points regarding Appendix D: -

- The Council was compliant with the Competition and Markets Authority's order that pension scheme trustees and managers set objectives for their investment consultants.
- Data quality was showing as red in the risk register – a data improvement plan was in hand to improve this.

54.4 Resolved – That the Board agrees the recommendations in the Business Planning and Performance report.

55. **Regulations and Guidance update**

55.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes) who introduced the report telling the Board that: -

- A further report and training was required on provider AVCs to understand how they worked.
- Appendix B showed a snapshot of the Pensions Regulator's website which was a source of information and set out the Regulator's expectations of public service organisations.
- Regarding responsible investment it was important to understand how this affected the Board and how non-financial factors could affect the financial position of companies e.g. in their share values..

55.2 Points covered in discussion: -

- Training would be available after the Council had carried out a review of AVCs.
- Guidance on responsible investment would be updated after a hearing in the Supreme Court.

55.3 Resolved – That the Board notes the current issues relating to the Scheme Regulations and Guidance.

56. **Governance Reviews and Surveys**

56.1 The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes) who told the Board that the new regulations re compliance would need new guidance, individual assessments and key performance indicators.

56.2 Resolved – That the Board notes the current position on progress on the Scheme Advisory Board (SAB) governance review and on surveys from tPR and SAB.

57. **Review of Pension Fund Policy Documents**

57.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes) which was introduced by Rachel Wood, Pension Fund Investment Strategist, who asked members to

consider the list of policy documents at Appendix A. The Board were informed that: -

- The Pension Fund had asked all employers for comments.
- Re McCloud – the Pension Fund had found a way of keeping rates as they were.
- There had been little change to the Treasury Management Strategy.

57.2 The Board made the following comments on the list of policy documents: -

- The list would come to the next Board meeting on 12 June 2020.
- The Funding Strategy Statement had been reviewed in February.

57.3 Resolved – that the Board notes the register of Policy Documents and that the Funding Strategy Statement and the Treasury Management Strategy comply with the regulatory requirements.

58. **Administration procedures and performance**

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

58.2 The Board welcomed Andrew Lowe, Head of Pensions, Investment and Borrowing at Hampshire County Council, to the meeting.

58.3 Tara Atkins, Principal Pensions Consultant, and Andrew Lowe, introduced the report and informed the Board: -

- Performance was heading in the right direction with all but the backlog at 100% in January.
- The Data Improvement Plan had key milestones for the end of March to tie in with the end of the financial year.
- The Contributions' Monitor showed no late payments.
- The number of people using the Portal was increasing and should continue to rise as new starters were encouraged to use it.
- There had been two low risk data breaches since the report was written.
- In January 2019 Hampshire took over 2,000 calls, all of which were dealt with in the allotted time. This January, with West Sussex joining Hampshire, there was nearly double the amount of calls, but all were still dealt with in the allotted time – there had also been over 3,000 emails to answer this January, 1,500 of which had dealt with at first point.

58.4 The following points were made in discussion: -

- A team within the Pensions team dealt with all calls and emails.
- Those leaving employment and those in retirement were being encouraged to use the Portal.
- Membership numbers had increased due to recent more reliable reporting.
- The number of leavers increased at the end of the school year as many teaching and non-teaching staff left employment at this time.

- Hampshire's IT team led on cyber breaches.
- There had been no cyber breaches relating to data, only scam/spam emails – discussions were taking place about what needed to be reported.

58.5 Resolved – That the Board notes the update.

59. **Communication Strategy**

59.1 The Board received a report by the Director of Finance and Support Services (copy appended to the signed minutes) which was introduced by Tara Atkins, Principal Pensions Consultant who told the Board that feedback on the draft pensioners' newsletter had been received from the administration team – the final newsletter would be reflected within the papers for the June meeting of the Board for comments.

59.2 The following points were made in discussion: -

- The Board's section in the newsletter would be more detailed next year to avoid it being the same each time.
- Hard copy payslips will now only be issued to retired members where pensions varied by £5 or to those that asked for them.
- Employer Matters was issued twice a year – there were stop press alerts for anything important between issues.
- Online systems were good for those in employment whereas deferred/retired members might prefer hard copies of newsletters/payslips.
- Retirement courses were run for everyone in the scheme .

59.3 Resolved – That the Board notes the schedule of communications.

60. **Training**

60.1 The Board received a document outlining the training that been recorded for Board members (copy appended to the signed minutes).

60.2 The following points were made in discussion: -

- **ACTION:** Adam Chisnall to update the document to show that Tim Stretton did not attend the CIPFA Local Pension Board Spring Seminar on 20/02/20 and that LGA Employer training had taken place.
- The results for the Pension Regulator Toolkit training were for West Sussex collectively, not individuals - **ACTION:** Adam Chisnall to liaise with Kim Martin to establish the results for individuals.
- A report on internal audit work will go to the Regulation, Audit & Accounts Committee (RAAC) in March and to the Board in June – the report will include progress against last year's plan, intended activity for this year and the link between RAAC and the Board.
- CIPFA slides could be used as a training tool – **ACTION:** Adam Chisnall to liaise with Miranda Kadwell re presenting these to a future Board meeting.
- The Board will receive training on Access with the Pensions Panel – **ACTION:** Rachel Wood to look for a date for this training, possibly including tPR.

- **ACTION:** The Chairman to circulate the slides from the seminar he recently attended.

60.3 Resolved – That Board members will continue to report progress on training.

61. **Date of Next Meeting**

61.1 The Board noted that its next scheduled meeting would take place on Friday 12 June 2020 at 9.30 a.m. at County hall, Chichester.

62. **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 under the item 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.

63. **Part II Minutes of the last meeting**

The Board agreed the Part II minutes of the 20 November 2019 meeting and they were signed by the Chairman.

64. **Pensions Panel Minutes – Part II**

The Board noted the contents of Part II minutes from the 25 October 2019 Pensions Panel meeting.

65. **ACCESS Update**

The Board considered the report by the Director of Finance and Support Services from the 27 January 2020 Pensions Panel (copy appended to the signed minutes).

The Board noted the report.

The meeting ended at 12.03 pm

Chairman