

Pension Advisory Board

13 November 2020 – At a virtual meeting of the Committee held at Virtual meeting with restricted public access.

Present: Peter Scales (Chairman),

Richard Cohen, Miranda Kadwell, Kim Martin, Becky Caney and Chris Scanes

Apologies were received from Tim Stretton

Officers in attendance: Rachel Wood (Pension Fund Strategist), Tara Atkins (Principal Pensions Consultant (Administration & Employers)), Alistair Rush (Interim Deputy Director of Finance) and Adam Chisnall (Democratic Services Officer)

Part I

17. Declarations of Interests and Conflicts

17.1 None declared.

17.2 The Chairman confirmed that the policy on conflicts was under review and may come to a future meeting.

18. Part I Minutes of the last meeting

18.1 Resolved – That the part I minutes of the meeting of the Board held on 7 September 2020 be approved as a correct record and signed by the Chairman.

19. Progress Report

19.1 The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes).

19.2 Adam Chisnall introduced the report and explained that similar issues had been consolidated and updates were expected in February.

19.3 The Chairman commented that the Good Governance review may not be ready to be presented at the February meeting. – *Adam Chisnall resolved that the progress statement for the February meeting would provide an update on the status if a presentation was not available.*

19.4 Resolved – That the Board noted the report.

20. Pensions Committee Minutes - Part I

20.1 The Board considered the confirmed part I minutes from the 22 July 2020 Pensions Committee meeting; and the Agenda from the 23 October

2020 Pensions Committee meeting (copies appended to the signed minutes).

20.2 The Chairman commented that a key discussion at the 23 October meeting was the impact on Pension Administration. This topic would be discussed later as part of the Board agenda.

20.3 Resolved – That the minutes and agenda be noted.

21. Business Plan Update

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

21.2 The Chairman introduced the report and highlighted the new format of the report to align with new templates for West Sussex County Council meetings. The report gave an update on progress of the business plan, and how there had been impact from high level projects such as the Good Governance Project.

21.3 The Board discussed the annual reviews which normally took place in January and how they might proceed this year. The Board felt the reviews should continue and proposed using Microsoft Teams to complete them virtually.

21.4 Resolved – That the Board notes the updates to the Business Plans of the Board and of the Pensions Committee.

22. Regulations and Guidance update

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

22.2 The Chairman introduced the report and confirmed that the Local Government Pensions Committee (LGPC) bulletin 203 had been released which outlined Exit Caps, McCloud and the Consumer Price Index (CPI) increase.

22.3 The Pensions Committee report on Scheme Changes had been included as an appendix; and training on this subject would be delivered by the fund actuary after the meeting.

22.4 Tara Atkins confirmed that officers were currently focussed on the Exit Cap proposals.

22.5 Resolved – That the Board notes the current issues relating to Scheme Regulations and Governance.

23. Administration procedures and performance

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

23.2 Tara Atkins introduced the report and confirmed that there had been 100% compliance in all areas for nine months. There were 18 deferred members without an Annual Benefits Statement for which the team were working on. Pension Saving Statements had been fully completed. Specific employers were being contacted to improve their performance for data submissions. There had been two low risk data breaches and officers were investigating into whether annual benefit statements which were unable to be produced constituted a material breach to the Pension Regulator.

23.3 Andrew Lowe, Head of Pensions, Investments & Borrowing at Hampshire, commented that the report portrayed the service well and reported that administration staff had adapted well to working from home arrangements.

23.4 The Board made comments including those that follow.

- Queried the impact from Covid-19 on employers. - *Tara Atkins reported that there had only been one employer who had been impacted by Covid-19 with regard to administration. There were no employers with consistent issues with payment of contributions each month.*
- Asked if the employer issues were linked to certain types of employers. - *Andrew Lowe reported that it was a mix of employers and that focus was on those with data quality issues.*
- Sought confirmation that appropriate contact was made with the relevant people for the employer for data concerns. - *Andrew Lowe confirmed that contact was made with high level contacts within the organisation, with a letter sent on behalf of Katherine Eberhart, Director of Finance and Support Services.*
- Asked how Covid-19 had impacted the pension administration team. - *Andrew Lowe confirmed that the team had adapted well. Initially there was a requirement to ensure that an appropriate phone system was in place to allow administrators to work from home. This system was now in place, stable, and working well. There had been good engagement with the County Council and employers which had led to a good general position.*
- Commented on the discussed issues concerning regulation changes and how this would impact administration workloads. - *Andrew Lowe confirmed that the administration team were working with schemes to understand the impact of the changes to allow consideration of resource implications.*
- Queried the communications planned for the regulation changes. - *Andrew Lowe confirmed that conversations were regularly taking place with schemes on this, with a particular current focus on the exit cap. The importance of communication was recognised, and a plan to inform would be established when there was more clarity on the regulations.*
- Noted the current limit for members to request one calculation per year, and asked if there would be exceptions to this given the proposed changes and impact for members. - *Andrew Lowe reported that members could run estimates themselves via the member portal. It was likely that the limit would remain in place, and members would be encouraged to use the portal. Board*

members asked if the portal would highlight where changes had been applied. Andrew Lowe agreed to check with the team to see how changes would be communicated.

- *Asked if there was national guidance on communications for the changes. – Rachel Wood explained that the County Council had put a freeze on estimates until national guidance was clear on how to apply the changes. Andrew Lowe confirmed that West Sussex County Council and Hampshire County Council, as Administering Authorities, were seeking legal advice for the instances where the regulations were in conflict. The Chairman confirmed the Scheme Advisory Board (SAB) was also challenging the legislation changes.*

23.5 Resolved – That the Board note the update.

24. Communication Strategy

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

24.2 Tara Atkins introduced the report which included the Communications Policy Statement and also outlined the different communications documents that were sent out.

24.3 The Board made comments including those that follow.

- *Noted that page three of the Communications Policy incorrectly referred to the Pensions Committee as the Pension Fund Committee.*
- *Queried if the list of stakeholders in the policy document should refer to council tax payers or the public. – Tara Atkins commented that the criteria for including stakeholders depended on how the intended audience of the policy was interpreted. Tara Atkins resolved to take the query away for investigation.*
- *Asked if tapered annual allowance should be referenced. – Andrew Lowe resolved to look into this.*
- *Queried the level of queries received on Pension Savings Statements. – Andrew Lowe confirmed that queries were received on this. Tara Atkins added that queries generally related to those people who breached the limit once. Those who breached the limit regularly generally had a good understanding of tax.*

24.4 Resolved – That the Board notes the schedule of Communications drawn from the Communication Policy Statement and asks officers to consider the feedback given.

25. Training

25.1 The Board considered a tabled document outlining the training that been recorded for Board members (copy appended to the signed minutes). Adam Chisnall apologised that the training log was missing from the initial agenda dispatch and resolved to add the log to the webpage after the meeting.

25.2 Adam Chisnall introduced the report and noted the progress that had been recorded for the Pension Regulator Toolkit modules.

25.3 Board members commented on recent training they had attended from CIPFA and Hymans Robertson. It was felt that powerpoint training lasting over 30 minutes felt too long to stay engaged with.

25.4 Members noted they had training scheduled after the current meeting, and discussed if training before a Board meeting would be more appropriate. - *Adam Chisnall raised concerns with this as Board meetings were required to begin at their publicised start time and so training beforehand could impact this, or impact the training.*

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

26. Review of Pension Fund Policy Documents

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

26.2 Rachel Wood introduced the report and explained that Appendix C was the Investment Strategy Statement which contained exempt information. Discussion on this would be taken during the Part II section of the meeting.

26.3 Rachel Wood introduced the Funding Strategy Statement and explained that it was a living document in order to comply with any changes with regulations. The Statement now include a new employer classification for deferred employers. The Statement had been sent to employers for consultation, with a deadline for comments of early December.

26.4 The Board welcomed the inclusion of tracked changes to see the changes to the document. The Board also praised the plain English used in the Statement. - *Rachel Wood explained that officers had tried to make the Statement accessible for all audiences.*

Summary of Part II discussion

26.5 The Board discussed the contents of the Investment Strategy Statement during the Part II section of the meeting.

26.10 Resolved – That the Board notes the register of policy documents, the Funding Strategy Statement and the Investment Strategy Statement.

27. Date of Next Meeting

27.1 The Board noted that its next scheduled meeting would take place on Friday 26 February 2020 at 9.30 a.m.

28. 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.

29. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 7 September 2020 meeting and they were signed by the Chairman.

30. Pensions Committee Minutes – Part II

The Board noted the contents of Part II minutes from the 22 July 2020 Pensions Committee meeting.

31. ACCESS Update

The Board considered the report by the Director of Finance and Support Services from the 23 October 2020 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.

32. AVC Update

The Board considered the report by the Director of Finance and Support Services from the 23 October 2020 Pensions Committee (copy appended to the signed minutes).

The Board noted the report.