

## **Pensions Committee**

25 January 2021 – At a virtual meeting of the Pensions Committee held at 10.00 am.

Present: Cllr Hunt (Chairman)

Cllr Bradford, Cllr J Dennis, Cllr Elkins, Cllr N Jupp, Cllr Urquhart, Cllr Walsh, Mr Donnelly and Ms Taylor

### **Part I**

#### **50. Declarations of Interests**

50.1 Cllr Dr James Walsh declared a personal interest as a member of Littlehampton Harbour Board.

#### **51. Part I Minutes of the last meeting**

51.1 Resolved – That the Part I minutes of the Pensions Committee held on 17 November 2020 be approved as a correct record, and that they be signed by the Chairman.

#### **52. Pension Advisory Board Minutes - Part I**

52.1 The Committee considered the confirmed Part I minutes from the 7 September 2020 Pension Advisory Board meeting; and the Agenda from the 13 November 2020 meeting (copies appended to the signed minutes).

52.2 Resolved – That the minutes and agenda be noted.

#### **53. Election of Scheduled Body Representative**

53.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes).

53.2 Charles Gauntlett, Senior Advisor Democratic Services, introduced the report and explained that there has been a vacancy on the Pensions Committee for a Scheduled Body representative for some time. Mr Gauntlett stated that the proposal was to ask education establishments who are Scheduled Body employers to agree to nominate a shared representative as detailed in the appendix of the report.

53.3 The Committee discussed if the Schools Forum could be used to make the process simpler, but it was pointed out that Higher Education is not represented on the Schools Forum.

53.4 The Committee also suggested that the election process could include a clause that if over ten applications were received then a process for shortlisting should be established.

53.5 Resolved – That the proposed nomination and election process for a Scheduled Body Employer representative be approved with the addition

that if more than ten applications are received officers should adopt a process to shortlist.

#### **54. Business Plan**

54.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

54.2 Katharine Eberhart, Director of Finance and Support Services, introduced the report highlighting the updates provided in the summary of the report. Ms Eberhart stated that several of the highlighted areas are for discussion at separate agenda items. In addition, Ms Eberhart stated that the objective 'Competition & Markets Authority' was rated red and a review was to be completed by 31 December 2020. It was explained that this was running behind schedule, but the review was due to be complete by the end of this week.

54.3 Ms Eberhart referred the Committee to the item on the risk register relating to poor quality data resulting in error and misstatement. It was confirmed that significant progress had been made in this area and the rating would likely turn to green in the spring.

54.4 It was confirmed that the training on ACCESS governance had been scheduled to align with the Pension Advisory Board meeting in February. The date and information would be circulated to Committee members after the meeting.

54.5 Resolved that:

- 1) The update on the Business Plan is noted
- 2) The risk matrix for the Fund is noted.

#### **55. Pension Administration Performance**

55.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

55.2 Ms Eberhart introduced the report stating that this was the second year since Hampshire County Council had provided the Pension Administration Service for West Sussex County Council. Ms Eberhart was pleased to report that the 100% compliance with the key performance indicators continued and significant progress had been made on data cleansing.

55.3 Andrew Lowe, Head of Pensions, Hampshire County Council also referred the Committee to the progress on previous performance around Annual Benefit Statements as outlined in section 2.3 of the report.

55.4 The Committee thanked the team for their hard work.

55.5 Resolved - that the Committee note the update.

#### **56. Scheme Changes**

56.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

56.2 Rachel Wood, Pension Fund Strategist, introduced the report explaining that it provided an update on the national landscape and the funds response to the McCloud judgment in relation to public sector exit payments. Ms Wood highlighted the conflict between regulations and the impact this would have on members made redundant who are over 55. This was detailed in section 3.7 of the report and the legal advice received by Administering Authorities on how to deal with this was set out in section 3.8 of the report.

56.3 Ms Wood also drew the Committees attention to section 6 of the report that detailed a consultation with employer in relation to employer flexibilities. Ms Wood reported that this consultation resulted in limited feedback.

56.4 Steven Law, Hymans Robertson, added that a ministerial statement was expected in February 2021 in relation to the McCloud judgment, so all benefit changes are on pause until that is announced.

56.5 Members asked how many employers had responded to the letter sent about the data required for work to rectify member records as a result of the McCloud judgement. Andrew Lowe stated that of the 206 written to, 145 had acknowledged receipt of which 28 had queries. Rachel Wood confirmed there were no comments of concern.

56.6 Resolved that:

- 1) The update, including the impact on the pension's administration team and the actuary to process the outcome of these scheme changes and the risks presented to the Administering Authority in respect of the restriction of Public Sector exit payments, is noted by the Committee.
- 2) The completion of the Funding Strategy Statement consultation is noted by the Committee.

## **57. Date of the next meeting**

57.1 The Committee noted that its next scheduled meeting would take place on 17 March 2021.

## **58. Exclusion of Press and Public**

The Chairman noted that no Committee member disagreed with the meeting entering the Part II section of the meeting as set out on the agenda.

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.

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

The Committee agreed the Part II minutes of the Pensions Committee held on 17 November 2020.

**60. Pension Advisory Board Minutes - Part II**

The Committee noted the contents of the Part II minutes from the 7 September 2020 Pension Advisory Board meeting.

**61. ACCESS**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the report and agreed with the officer recommendations.

**62. Private Equity**

The Committee considered a report by the Director of Finance and Support Services.

The Committee considered the report and agreed with the officer recommendations.

**63. AVCs**

The Committee considered a report by the Director of Finance and Support Services.

The Committee noted the update.

**64. Baillie Gifford Paris Aligned**

The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

The Committee considered the report and agreed with the officer recommendations.

**65. Review of Pension Investment Performance**

The Committee considered a paper by the Director of Finance and Support Services and the Independent Adviser relating to the quarterly performance reports from the fund managers.

The Committee noted the report and welcomed the advice.

**66. Presentation by Aberdeen Standard**

The Committee received an update from Mark McKelvey, Matthew Cunliffe and Geoff Hepburn from Aberdeen Standard on the portfolio performance for the quarter.

## **67. Property Mandate**

The Committee considered a report by the Director of Finance and Support Services

The Committee considered the report and agreed with the officer recommendations.

The meeting ended at 2.09 pm

Chairman