

West Sussex Pension Advisory Board

Business Plan 2021/22 performance report

Board establishment

The Board’s structure remains the same with six representative members and an independent (non-voting) chairman. Consistency in Board member appointments has been maintained with the re-appointment of Tim Stretton in November. Thus, the Board has maintained a stable group of members with a wide range of individual skills and broad representation.

Continuity is an important aspect of Board membership because of the high level of personal investment in maintaining knowledge and understanding, and the appointments cycle is staggered to provide that continuity as shown below:

	Representing	First appointed	Next review due	Service time limit
Peter Scales	Independent	April 2015	2024	N/A
Richard Cohen	Employers	April 2015	2023	2027
Miranda Kadwell	Employers	Nov 2018	2022	2030
Kim Martin	Employers	Nov 2016	2024	2028
Becky Caney	Active	Nov 2018	2022	2030
Chris Scanes	Pensioners	April 2015	2023	2027
Tim Stretton	Deferred	Nov 2017	2025	2029

Succession planning is equally important, and Miranda Kadwell and Becky Caney who are due for review in November 2022 have both indicated their willingness to continue.

Board meetings

In line with County Council policy, meetings continue to be held in virtual format. All members agree that these arrangements have worked better over time with experience and in some respects have the advantage of making attendance easier without the need for travel. This has proved particularly useful for some training sessions and enabling the chairman to attend Pensions Committee meetings virtually. Consideration is being given to the possibility of hybrid meetings or a mixture of virtual and physical meetings, perhaps three and one respectively.

The Board held four meetings during the year in a virtual format with good attendance. The business for each meeting has been in line with the core work plan agreed and is based on the responsibilities of the Board and guidance issued about key issues to cover, and on 'live' issues arising during the year. Relevant interests are recorded, and any changes declared at each meeting. There have been no conflicts of interest potential or otherwise.

The Board meets a short period after each meeting of the Pensions Committee and receives the agreed minutes, certain reports as submitted to and considered by the Committee on the business plan updates, including risks, administration, ACCESS, and other issues in order to avoid duplication by officers. This has worked well in the year in keeping the Board informed of the Committee's decision-making process.

The Board has established standing agenda items on regulations and guidance (with references to the LGPC, SAB and tPR websites) which not only provide updates on changes but also provide a source of reference for the statutory regulations and guidance. This is a key element in helping the Board members to keep up to date and maintain a suitable level of knowledge and understanding.

In terms of what has been achieved during the year, the schedule below shows actions against key tasks and demonstrates that a comprehensive programme of work has been completed. However, the pandemic has severely disrupted progress on national initiatives driven by DLUHC, SAB and tPR. This has meant that governance and regulatory changes deferred in 2020 that the Board were expecting in 2021 did not happen, and recovery of progress remains slow.

Annual performance reviews

In terms of individual Board member's perceptions of performance, these were covered in the one-to-one performance review meetings held remotely in January. Some of the key conclusions are summarised below.

The current year 2021/22 - There was a general acceptance that virtual meetings have improved but that there is still a lack of interaction. The Board has continued to operate effectively and doing all that it can, despite the lack of progress on national initiatives.

The year ahead 2021/22 - There was a general consensus that the Board should continue to maintain its core work but that it was to a large extent dependent on progress with national initiatives to tackle a changing environment of governance, especially the Good Governance Review by SAB. A number of areas were identified for attention next year and these are listed below.

Knowledge and understanding - Members agree that the Board has a good standard of underlying knowledge and understanding and needs to maintain a process of regular updates and refreshers. The ability to draw on external web-based resources (e.g. LGPC, SAB, tPR) was welcomed as a source of reference.

The introduction of the Hymans Robertson LGPS Online Learning Academy (LOLA) has proved to be very effective, despite some initial technical problems with access. Members consider that further inhouse training should focus on key areas of change or development, supplemented with updates on 'LOLA', and that learning experiences should be shared.

Personal contributions – All were satisfied with their role on the Board and considered there was a valuable spread of experience of different aspects of the management and administration.

Pensions Committee – The relationship with the Committee works well through the exchange of reports and some felt there would be an advantage in attending some meetings when circumstances allow. The Committee chairman is due to attend a Board meeting at an appropriate point and the Board chairman meets with him on a one-to-one basis at least annually. Joint training sessions are also helpful as with the accounts awareness training.

Scheme manager interaction – There was a consensus that the working arrangements were good and effective currently. The officers were proactive, supportive, and responded well to questions. The involvement of Hampshire in Board meetings has been valuable and gives the assurance of good service.

Areas for attention

These are the areas where work will be required in the coming year, subject to progress on national initiatives:

- Outcome of SAB Good Governance Review
- TPR's combined code of practice (expected in the summer)
- Valuation 2022 process and funding strategy
- Strategic investment issues, awaiting DLUHC regulations
- Responsible investment and climate change (awaiting DLUHC guidance)
- Pooling governance, awaiting regulatory changes from DLUHC
- Comparative administration standards and performance
- Potential pensions/cyber scams – controls and warnings to members
- Future of CIPFA guidance after Pensions Panel closure

Chairman's comments

The Board has continued to work well through difficult circumstances, but is frustrated by the lack of progress on national initiatives. I am grateful for the input from each member and reassured in the ability of the Board to tackle new challenges in the coming year.

Pension Advisory Board - Business Plan 2021/22
Progress update on special activities and reviews

Planned activity	Current progress (February)
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Business Planning and Performance	
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Review of current Board operations in line with the Scheme Advisory Board's Good Governance Review proposals as a 'dry run'.	Firmer details of the proposed new requirements are still awaited. It is intended to undertake this review in 2022 when more detail is available.
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Compliance checks	
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Review conflicts of interest policy	To be reviewed when details of the new compliance requirements are known [both the Government (DLUHC) and the Pensions Regulator (tPR)]
Review the Pension Fund Annual Report and Accounts for content and compliance.	Reviewed at the meeting on 26 July

Governance arrangements	
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Review internal audit programme of work and assurances	Reviewed at 28 April meeting and at each meeting as part of Committee's Business Plan Update report. A presentation on the internal audit programme was made to the Board on 15 November 2021.
Review new tPR Combined Code for compliance requirements	Reviewed draft issued for consultation but uncertainties remain regarding application to LGPS. The new Code is now planned for the summer of 2022.
Review SAB proposals on future governance arrangements when made available	Reviewed proposals published for consideration by DLUHC – their response is awaited.

Planned activity	Current progress (February)
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Administration procedures and performance	
Monitor impact of Scheme changes on administration capacity	Monitored by Committee and Board at each meeting
Consider scope for inter-fund comparative indicators, including unit costs and service levels	Chairman undertaking initial research but pending DLUHC response to SAB governance proposals
Review arrangements for auto-enrolment and for growing membership	Information to new joiners noted
Review implementation of Data Improvement Plan	Now part of regular reporting.
Monitor work by internal audit	Part of business plan update from Committee
Review controls relating to cyber risk	Training undertaken

Planned activity	Current progress
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Investment and funding	
Review revised guidance issued by DLUHC on preparing the Investment Strategy Statement when available	Not yet available
Develop understanding of actuarial methods, standards and practices, and application to the valuation process	Part of Hymans modular training programme (LOLA)
Review revised SAB guidance on responsible guidance when issued	Reviewed first draft, subsequently withdrawn and replaced with A to Z. Further guidance expected from DLUHC.

Communications	
Monitor disclosure of information in line with statutory requirements, including annual benefit statements	Communications update now reported to each meeting.
Review newsletters for content and clarity	Pensioner newsletter reviewed but subject to Hampshire process
Review information provided on potential pensions/cyber scams	Initial review undertaken and awaiting further guidance from tPR. Training undertaken including new tPR module.

Training	
Undertake comprehensive refresher training	Hymans training (LOLA) started on 1 July with an induction session. Board members are expected to complete the modules by the end of the year.
Develop joint training with Pensions Committee	Joint training strategy now in process