

## **Pension Advisory Board**

2 March 2017 – At a meeting of the Board held at 9.30 a.m. at County Hall, Chichester.

Present: Peter Scales (Independent Chairman), Richard Cohen (Employer representative), Kim Martin (Employer representative) and Chris Scanes (Scheme member representative).

Apologies: Andy Elder (Scheme member representative)

Officers: Vickie Hampshire (Finance Manager - Pension Fund Governance), Clare Chambers (Pensions Operations Manager), Terry Langworthy (HR Adviser (Pensions), Laura Davies (Principal Accountant Pensions & Projects) and Adam Chisnall (Democratic Services Officer)

### **Part I**

#### **Declarations of Interest**

257. None declared.

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

258. Resolved – that the minutes of the meeting of the Board held on 6 December 2017 be agreed as a correct record.

#### **Progress Report**

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

260. Adam Chisnall introduced the report and gave an update on the request for Board members to observe a Pensions Panel. The Chairman of the Pensions Panel had advised that due to the upcoming elections, it was proposed that the November meeting would be a good meeting to observe as the potentially new Panel members would be more familiar with their role by then.

261. Vickie Hampshire gave an update on the progress with Pooling. The ACCESS group would be progressing with the Collective Investment Vehicle structure. The Inter-Authority Agreement was going to the Governance Committee for endorsement, followed by approval at full Council.

262. Clare Chambers gave an update on the request for auto enrolment and opt out figures for future reports. It was explained that the pensions team only had access to County Council employee information and that it would require contacting all employers in the fund to see all auto enrolment and opt out information. The Board agreed that this was not necessary and agreed to remove auto enrolment and opt out information from future reports.

263. The Board requested information on the results of the finance team restructure. – *Vickie Hampshire resolved to circulate the information to the Board when the restructure was complete.*

264. Resolved – That the Board noted the report.

### **Pensions Panel Minutes – Part I**

265. The Board considered the confirmed part I minutes from the November Pensions Panel meeting; and the Agenda from the January Pensions Panel meeting (copy appended to the signed minutes).

266. The Board queried the comment in minute 84 relating to West Sussex, Capita and Hymans Robertson relations being improved. – *Vickie Hampshire explained that this referred to a comment that communications between all three parties could be improved.*

267. The Board questioned the comment referring to there not being a minimum cap on contributions. The Board also asked what happened to surplus payments and if contribution rates were statutory. – *Vickie Hampshire resolved to investigate these queries and report back.*

268. Resolved – That the minutes and agenda be noted.

### **Regulations and Guidance update**

269. The Chairman informed the Board of a proposed amendment to the Local Government Pension Scheme Regulations regarding the Fair Deal, a change to Additional Voluntary Contributions and a change to the exit payment cap. – *Vickie Hampshire commented that the regulations were not yet finalised and agreed to forward seminar slides relating to these changes to the Board members.*

270. Vickie Hampshire confirmed that officers were still waiting on an update on the MIFID II Consultation.

### **Administration procedures and performance**

271. The Board received a report by the Director of Finance, Performance & Procurement (copy appended to the signed minutes).

272. Terry Langworthy introduced the report and drew the Board's attention to the Caseload Performance appendix. Clare Chambers explained that the Key Performance Indicators (KPIs) were being changed for 'Benefit Payments' and 'Deferred Benefits' measures to ensure the focus was on the service to the members. The Board challenged that the KPIs should not be changed to make them more achievable. – *Clare Chambers responded that the change would move the measure to payroll processes, rather than duration for acknowledgement letters. Vickie Hampshire confirmed that the Pensions Panel Chairman would be consulted on all KPI changes.*

273. The Board queried if a lack of resources was a factor in the missed KPIs. – *Clare Chambers confirmed that a paper had been submitted on this last year resulting in two roles being added to the team with a third being considered soon. Vickie Hampshire confirmed that the Pension Fund did not consider the contractual arrangements and that this was a matter for the County Council and Capita. Vickie*

*Hampshire proposed having a contractor attend a Board meeting to discuss contract performance. The Board agreed with this proposal.*

274. The Board discussed performance and noted that KPIs only covered 25% of Capita's work. The Board requested to see the Service Level Agreement statistics that covered the other 75% of Capita's work. – *Clare Chambers resolved to investigate this request.*

275. Terry Langworthy gave an update on the employer communication survey. The results had been useful, with feedback requesting simple language and a reduction in jargon. Employers had requested monthly updates with sections 'for action' and 'for information'. The changes would be implemented and employers would be asked again for feedback on the new approach.

276. Vickie Hampshire outlined the late contributions appendix which had been added at the request of the Board. The Board noticed the summer peak and speculated that this was linked to schools and that an improvement in communications was required to reiterate the importance of contribution payments. The Board welcomed the rolling report for future reports.

277. The Board discussed Newsletters and welcomed the chance to input on the process. It was confirmed that a link to the annual report would be available in the newsletter. Kim Martin agreed to be a contact for the content of employer newsletters. There was a proposal to include a link to the Board's Business Plan and outline the meeting dates of the Board. Proposals also included creating a new Pension Advisory Board email address to allow members the opportunity to contact their representatives. Vickie Hampshire resolved to look into these requests.

278. The Board made comments including those that follow. It:

- Queried if the new communications would help with the Annual Benefit Statement (ABS) work. – *Clare Chambers explained that other plans had been introduced to help the ABS work; such as engaging with employers on the spreadsheet requirements and scheduling training for employers. The spreadsheet had in-built validation processes that would help employers ensure they filled in the information correctly. It was reported that the Pensions Panel Chairman would be writing to all employers in the fund to highlight the importance of the data submission. It was confirmed that a deadline had been set for submission to ensure employers did not impact ABS creation for timely employers. Late employers would receive their ABSs in a subsequent batch.*
- Queried the process for employers who used other providers to submit their pension data. – *Vickie Hampshire reported that the fund was not able to enforce providers to submit data, this request would have to come from the employer.*
- Queried transfer values for deferred members missing their statutory deadline. - *Clare Chambers hoped that the new Hartlink system would help employers provide timely data. It was reported that particularly difficult employers were reported to the Pensions Regulator.*
- Asked how many employers had registered on the Hartlink portal. – *Clare Chambers agreed to look into this request.*
- Sought clarity on the website changes that had been made without the pension fund's approval. – *Terry Langworthy explained that the website*

*team had made changes to the webpage that related to general pensions and not the West Sussex Pension Fund. The Board requested that the concerns of the Board on this matter were passed to those responsible for the changes.*

279. Resolved – That the Board notes the report and:

- (1) Requests that a contractor attends a future Board meeting to discuss contract performance.
- (2) Requests details on for the Pension Team's Service Level Agreement statistics.
- (3) Requests that the proposals for the Newsletters outlined in minute 227 be considered.
- (4) Requests details on employer registration on the Hartlink Portal.
- (5) Requests that the concerns of the Board on unauthorised website changes be passed on to the relevant team.

### **Business Planning and Performance**

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

281. The Chairman introduced the report which outlined the performance of the Board over the past year and proposed a work programme for 2017/18.

282. The Board noted that the budget was unused for training and questioned if more training should be scheduled. Adam Chisnall confirmed that induction training was being scheduled for Pensions Panel members following the election and that an invite could be extended to Board members. Clare Chambers agreed to circulate any training opportunities that she was made aware of. Vickie Hampshire resolved to investigate joint training with other authority Pension Boards.

283. Vickie Hampshire proposed inserting a link to the Board's webpage into Appendix D – Statement for Fund Annual Report 2016/17.

284. Resolved – That the Board:

- (1) Agrees the Business Plan Performance Report.
- (2) Agrees the schedule of key tasks and activities.
- (3) Agrees budget statement.
- (4) Approves the statement for inclusion in the Fund Annual Report with a link the Board's webpage.
- (5) Agrees the schedule of business for future meetings

- (6) Agrees that the Pensions Panel and Governance Committee should be informed accordingly.

### **Funding Strategy Statement and Investment Strategy Statement**

285. The Board received a report by the Director of Finance, Performance & Procurement (copy appended to the signed minutes).

286. The Chairman introduced the report for the Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS). The Board were asked to note that the Statements met compliance.

287. Vickie Hampshire confirmed no responses had been received during the consultation exercise. The Actuary had confirmed the ISS met compliance.

288. The Board were informed that the Pensions Panel had delegated approval of the ISS to the Director of Finance, Performance & Procurement.

289. The Chairman felt there were elements of the ISS that should be checked against the Department for Communities and Local Government (DCLG) guidance. Vickie Hampshire resolved to check the guidance and confirmed that the ISS was a living document that could be adapted as appropriate.

290. The Board requested that their input should be noted.

291. Resolved – that Board is content with the statements' compliance with the statutory regulations and that officers will check the finer details against the DCLG guidance.

### **Training**

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

293. Adam Chisnall introduced the report and noted that some dates required correcting.

294. The Board discussed the TPR toolkit modules and the Chairman encouraged the Board members to complete the required modules.

295. Resolved – that Board members will continue to report progress on training.

### **The Pensions Regulator (TPR) Self-assessment Tool – Action Plan**

296. The Board received a report by the Director of Finance, Performance & Procurement (copy appended to the signed minutes).

297. Laura Davies introduced the report and outlined the results of the pension fund self-assessment. The Board were informed of the three amber results and the action plans to address them.

298. Resolved – that Board members note the work being undertaken following

the self-assessment results and resolve to each complete their individual training needs analysis.

### **Date of Next Meeting**

299. The Board noted that its next scheduled meeting would take place on Wednesday 5 July 2017 at 9.30 a.m. at County hall, Chichester.

### **Exclusion of Press and Public**

300. 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.

The meeting ended at 12.32 p.m.

Chairman

### **Summary of Matters discussed in the absence of the Press and Public on 2 March 2017**

#### **Part II Minutes of the meeting held on 6 December 2016**

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Board agreed the part II minutes of the 6 December 2016 meeting.

#### **Pensions Panel Minutes – Part II**

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

The Board noted the contents of part II minutes from the November Pensions Panel meeting.