

Pension Advisory Board

8 July 2015 – At a meeting of the Board held at 10.30 am. at County Hall, Chichester.

Present: Peter Scales (Independent Chairman), Mark Baker and Richard Cohen (Employer representatives), Andy Elder and Chris Scanes (Scheme member representatives)

Officers: Steve Harrison (Chief Technical Officer) and Rosemary Pugh (Democratic Services Officer)

Introductions

1. The Chairman welcomed members to the first meeting of the Board. Mr Michael Brown (Pensions Panel Chairman) joined the meeting for this item to introduce himself and the work of the Panel, and to indicate how they saw the work of the Board developing. He then left the meeting.

Declarations of Interest

2. Mr Baker declared a personal interest in Item 6 (Work of the CAPITA Partnership) as he is Director of Finance, Sussex Police which has connections with CAPITA.

Terms of Reference

3. The Board considered a report which set out the Terms of Reference for the Pension Advisory Board for the West Sussex Pension Fund (copy appended to the signed minutes).

4. The Chairman reported that the Governance Committee had chosen to have to an Independent Chairman and that he had been appointed to this role.

5. The Board made the following points/suggestions: -

- With regard to the list of items/documents which the Board may want to look at, the Board agreed that this should be extended to include Internal Audit reports as well as Pensions Panel Part II matters to be discussed in Pension Advisory Board Part II (confidential).
- There was a need for more clarity in the Terms of Reference of the formal lines of reporting of the Boards actions and decisions. Steve Harrison advised that the line of reporting would be via the Board's business plan which would be presented to the County Council's Governance Committee.
- Greater visibility for members of the Board on the County Council website.

6. Resolved – that the Terms of Reference are agreed subject to the inclusion of a statement on the Pension Advisory Board lines of reporting.

Work of the CAPITA Partnership

7. Charlie Hughes (SSO Contract Manager – WSCC) and Tara Atkins (Pensions Intelligent Client – WSCC) joined the meeting to give a presentation on the work that CAPITA undertakes on behalf of the West Sussex Pension Fund (copy appended to the signed minutes).

8. The Board raised the following issues/questions

- Asked about lines of reporting by the CAPITA Pensions Team. Charlie Hughes advised that regular review meetings are held between the managers in the County Council's Pensions Team, HR Managers and the SSO Contract Team. Reports are taken to the SSO Operations Board and the Partnership Board. Steve Harrison advised that any failures in the Service Level Agreements are reported (by exception) via the Pensions Panel business plan.
- Asked about the process for resolving complaints from members of the Pensions Scheme. Tara Atkins advised that there is an Internal Dispute Resolution Procedure but this issue is also a consideration for the wider customer experience process. Work is on-going to develop a definitive complaints process.
- Asked how customer satisfaction is defined. Tara Atkins advised that KPIs are taken into account but that these do not cover everything.
- Reconciliation of Additional Voluntary Contributions – who checks these contributions?. The Board was interested to learn about the advice that is given to staff and how the contributions are monitored.
- Communications to scheme members – a joint newsletter is prepared and officers ensure this is written in plain English. The Chairman suggested that the newsletter may be a matter for the Board to look at. The Board asked about ways that scheme members can obtain advice, either face to face or by direct questions to HR or the Pensions Teams for individual enquiries.
- Reporting process for employer contributions – Charlie Hughes advised that this was reported through the Annual Report. The Chairman suggested that the Board could be part of the reporting process.
- Use of the on-line pensions portal – the Board asked how user-friendly and reliable it was. Tara Atkins confirmed that there was some work to do to make it more streamlined for the user. Steve Harrison suggested a demonstration of the portal at a future meeting and setting up a 'ghost record'.
- Communications and the website is an area of interest for the Board – the Board discussed the Compass Newsletter which contained generic national information and not specific to the West Sussex Pension Fund.
- Agreed that it would be useful to have a roadmap of the website and the Board could provide feedback. The Chairman commented that it is

important to have a product which is what scheme members want and not what technical people think they want.

9. Charlie Hughes and Tara Atkins left the meeting.

Pensions Board Work Planning and Budget 2015/16

10. The Board received a report by the Executive Director Corporate Resources and Services (copy appended to the signed minutes).

11. There was an error to be corrected in Appendix A for 11 November meeting which should include a report to the Pensions Panel and not a report to the Employer Annual Meeting.

12. The Board made the following suggestions/points: -

- Assurance is a key role for the Board
- The Chairman will prepare a paper for the Board over the summer following a check on compliance on the annual accounts and for report to the Pensions Panel that this has been done
- Some training on accounts will be beneficial
- Chris Scanes to provide a note for the Board on his thoughts about his use of the pensions portal.
- The Board to report annually to the Pensions Panel in March
- Discussed how the Pension Advisory Board can be contacted by employers and members
- A calendar of future Pensions Panel decisions will be useful

13. Resolved – that

- (1) The work programme for the 2015/16 as set out at Appendix A is agreed subject to a minor change (Minute 9 refers).
- (2) The budget for 2015/16 as set out at Appendix B is agreed
- (3) The need for advisors to be reviewed at a later date, particularly if legal advice is needed.
- (4) The draft Pension Advisory Board minutes to be circulated to the Pensions Panel and to the Chairman of the Governance Committee. The draft minutes to be posted on the County Council website.
- (5) The report by the Pension Advisory Board to the Pension Fund AGM for employers as set out at Appendix C is agreed.

Review of Pensions Panel Decisions

14. The Board received a report by the Executive Director Corporate Resources and Services (copy appended to the signed minutes).

15. The Board highlighted the following suggestions/points: -

- The thread of some issues was difficult to follow, particularly the decision on ethical investment. Steve Harrison advised that the Pension's Panel primary responsibility was to returns, ethical decisions should not jeopardise returns.

- Employer engagement in funding strategy – Steve Harrison advised that the Pensions Panel has considered this but had not come to a view yet. It is still on the agenda. A fundamental strategy change would require consultation. The Board would be interested to see that how this process is implemented.
- Interested to look at whether there was a consultation on the discretions policy.
- Interested to look at Treasury Management Policy and compliance with good practice. The Chairman to send a note to Steve Harrison with his thoughts on this issue.
- Scheme members taking early retirement and drawing down pensions early. Steve Harrison advised that although this is an actuarial issue the Board could look into how the Pensions Panel is considering future changes in the age profile of its membership.

16. Resolved – that

- (1) The decisions made by the Pensions Panel in the year 2014/15 attached at Appendix A are noted.
- (2) The decisions and processes are highlighted and commented on as set out in Minute 13.
- (3) The decisions of the Pensions Panel are reviewed at future meetings. To assist this process the Board members will sign up to the County Council's system for email alerts for the Pensions Panel agenda and minutes and the Governance Committee agenda and minutes
westsussex@public.govdelivery.com
- (4) The Chairman is invited to attend the Pensions Panel meeting in November and then perhaps annually thereafter.

Communication

17. The Board considered how it plans to assist in the preparation and review of the Employers newsletter.

16. The Board made the following points/suggestions:

- Asked how many members access or read the newsletter
- Ask Tara Atkins to provide a note on progress with the development of the newsletter
- Have scheme members been asked what information they need?
- An anomaly exists as the employers have an AGM but the members do not.
- Agreed to ask the Pensions Panel if it had considered an annual meeting for its members.

17. The Board agreed that once it had seen an Annual Benefits Statement it would consider how it plans to assist in its preparation and review. It would be interesting to compare the new and old Statements in the light of the new scheme.

18. The Board agreed that it would develop its communication plans following the ideas discussed at this meeting.

Training

19. The Board considered the training it requires in line with The Pensions Regulator Guidance.

20. Steve Harrison advised that a higher level of training was needed than that of Pensions Panel members. There might be opportunities to join Pension Panel members at one of their training sessions and vice versa. The Chairman stated that there will be a need to cover certain areas such as law in pensions and pensions freedom.

21. Resolved – that

- (1) Members of the Board carry out at least one self-assessment module of the Pension Regulator Toolkit before the next meeting of the Board – Steve Harrison to send a link to Board members.
- (2) The training opportunities are explored with:
 - i. Hymans
 - ii. Actuary
 - iii. Auditor
 - iv. Cipfa requirements – National good practice
 - v. East Sussex and Hampshire County Councils - possible joint event
 - vi. Richard Cohen on pensions freedoms
- (3) Another training session is held for the Board before the next meeting. Laura Johnston to circulate dates for early October.

22. Steve Harrison provided some brief training on the organisational structure but the Chairman's briefing on governance background was deferred to the next meeting.

Date of Next Meeting

23. The Board noted that its next meeting will be held at 10.30 am on Wednesday 11 November 2015, at County Hall, Chichester.

24. The main items of business will include:-
- Review of Pensions Panel decisions
 - Review of Annual Report and Accounts
 - Review of policy statements
 - Internal controls/audit reports
 - Administration report
 - Training on governance background

The meeting ended at 2.15 pm.

Chairman