

Public Document Pack

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10 July 2018

Pension Advisory Board

A meeting of the committee will be held at **9.30 am** on **Wednesday, 18 July 2018** at **County Hall, Chichester, PO19 1RQ**.

Tony Kershaw
Director of Law and Assurance

Agenda

Part I

1. **Declarations of Interests and Conflicts**

Members and officers must declare any pecuniary or personal interest, or any potential conflicts of interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt, contact Democratic Services before the meeting.

2. **Part I Minutes of the last meeting** (Pages 5 - 12)

The Board is asked to agree the Part I minutes of the meeting of the Board held on 20 April 2018 (cream paper).

3. **Urgent Matters**

Items not on the agenda, which the Chairman of the meeting is of the opinion, should be considered as a matter of urgency by reason of special circumstances.

4. **Part II Matters**

Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.

5. **Progress Report** (Pages 13 - 14)

This report contains updates on matters arising from previous meetings.

The Board is asked to note the report and the progress on actions.

6. **Pensions Panel Minutes - Part I** (Pages 15 - 26)

The Board is asked to note the confirmed Part I minutes from the meeting of the Pensions Panel on 2 February 2018 and the agenda from the meeting of the Pensions Panel on 30 April 2018.

7. **Business Planning and Performance**

As agreed at the last Pension Advisory Board, the Board to have a regular agenda item to discuss the forward work programme including risk consideration.

8. **Regulations and Guidance update**

The Board to discuss any news/updates that are of interest.

Detail on the Local Government Pension Scheme Amendment Regulations is included within the Administration Procedures and Performance agenda item for discussion.

9. **Review of Pension Fund Policy Documents** (Pages 27 - 42)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note the register of policy documents and give feedback on the presented policies.

10. **Administration Procedures and Performance** (Pages 43 - 68)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note the report and confirm any further information that they require.

11. **ACCESS Work Update** (Pages 69 - 74)

Report by Director of Finance, Performance and Procurement.

The Board is asked to note ACCESS progress.

12. **Training** (Pages 75 - 78)

Report by Director of Finance, Performance and Procurement and Director of Law Assurance & Strategy.

The Board is asked to note the knowledge and understanding requirements and the ongoing work of officers.

13. **Date of Next Meeting**

The next meeting of the Board will be held at 9.30 am on Wednesday 21 November 2018.

Part II

14. Exclusion of Press and Public

The Board is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, 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.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

15. Part II Minutes of the last meeting (Pages 79 - 80)

The Board is asked to agree the Part II minutes of the meeting of the Board held on 20 April 2018 (yellow paper).

16. Pensions Panel Minutes – Part II (Pages 81 - 86)

The Board is asked to note the confirmed Part II minutes from the meeting of the Pensions Panel on 2 February 2018 (yellow paper).

To all members of the Pension Advisory Board

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Pension Advisory Board

20 April 2018 – 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), Chris Scanes (Scheme member representative) and Tim Stretton (Scheme member representative).

Apologies were received from Kim Martin (Employer representative),

Officers: Steve Harrison (Financial Planning Manager), Tara Atkins (Principal Pensions Consultant (Administration & Employers)) and Adam Chisnall (Democratic Services Officer)

Part I

Declarations of Interests and Conflicts

1. The Chairman asked Board members to check their register of interests to ensure they were accurate.
2. None declared.

Part I Minutes of the previous meeting

3. The Board requested an amendment to the minute 41 to clarify that Mr Elder was no longer working for an employer in the West Sussex Local Government Pension Scheme.
4. Resolved – that the minutes of the meeting of the Board held on 29 November 2017, amended as above, be agreed as a correct record.

Progress Report

5. The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes). Adam Chisnall introduced the report and confirmed that the Terms of Reference had now been changed following the resolution at the November meeting. The Terms of Reference were now available on the Pension Advisory Board's webpage.
6. Tara Atkins reported that the draft Local Government Pensions Scheme (LGPS) Amendment regulations had been recently received and would be available for consideration at the next Board meeting.
7. The Board queried the customer survey and if a reminder would be sent out. Tara Atkins confirmed that the active member survey would be completed in a few weeks.
8. Steve Harrison reported that the training needs document was still being worked on by officers and was part of a wider exercise to align training with the Pensions Panel.

9. Resolved – That the Progress Report be noted.

Pensions Panel Minutes – Part I

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

11. The Board queried minute 106, bullet 4, and asked where the credits had been applied. Steve Harrison confirmed that the credits had been used to allow fund improvements and had not gone to the County Council.

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

Pensions Panel Compliance

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

14. Steve Harrison introduced the report which outlined reports from the Pensions Panel. A key piece of work was to consider the Investment Strategy and de-risking as the fund level had reached 105%. It was also a CIPFA requirement to report the Treasury Management Policy.

15. Resolved – That the board notes the compliance demonstrated by the reports.

Regulations and Guidance update

16. The Board noted that Tara Atkins had informed them of the LGPS Amendment regulations and that there was no other guidance to discuss.

Administration procedures and performance

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

18. Tara Atkins introduced the report and explained that KPI compliance issues had led to a change in communication processes for members with deferred benefits. The KPI for this would be split in to two parts; the first linked to the pensions team sending options through when someone was leaving the scheme; the second linked to the notice explaining what benefits were available. Previous issues with this KPI were linked to the backlog. The new proposal should align with the regulations better.

19. Tara Atkins reported to the board the impact of the Brewster case for the LGPS. Actions had been implemented following impact on partner nominations and cases had been checked to ensure compliance with potentially affected members. 4 members had been impacted and have been contacted.

20. Tara Atkins updated the Board on Guaranteed Minimum Pension (GMP) liability. The pensions team had resolved 50% of the fund membership and were waiting on responses from Her Majesty's Revenue and Customs (HMRC) to resolve

issues with individual cases. This was linked to an outcome from the Local Government Association and the Treasury. The Board queried when the responses from HMRC were expected. Tara Atkins explained that the original date was December 2018, but this was now linked to the dashboard work rollout. Procurement work was happening for rectifying works.

21. Tara Atkins reported that the communications policy had been reviewed and updated as part of an annual review. Work was being done with Capita to meet with employers to explain the changes. Similar organisations were being met in groups, e.g. Parish Councils, Academies, etc, to ensure similar issues were being discussed together. The Board felt that communications had improved and commented that the survey results should be monitored to see if this was reflected.

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

- Queried when member newsletters would be sent out. – *Tara Atkins confirmed that employer and member newsletters were currently being drafted. The active member newsletters were produced in line with the annual benefit statements; the pensioner newsletters were produced in line with the April payslips. Peter Scales and Chris Scanes had comments on the draft newsletters which they resolved to send to Tara for consideration.*
- Welcomed the involvement with the newsletter process and commented that the level of the response to the newsletters should dictate how much work goes in to them. – *Tara Atkins commented that there was not much change to the pensioner profile and so there was not much to report in each newsletter. Officers would action feedback if it was received.*
- Queried the timing of newsletters with regard to informing of inflation increases. – *Tara Atkins explained that the newsletters would not be the official notification of this. Payslips would be the official notification. Members would be able to use the portal to check this.*
- Sought clarity on caseload Key Performance Indicator (KPI) figures. – *Tara Atkins reported that the increase in new administration staff had shown improvement across all work; levels of complaints had also reduced. The KPI figures were based on cases completed, not work received. Steve Harrison reported that Clare Chambers was happy with the upward trend.*
- Asked if it was possible for the Board to see details of compliance of work not covered by KPIs. – *Tara Atkins reported that officers were looking at ways to prepare the data to satisfy this request to ensure that all work was reflected. The data should be available for the July Board meeting.*

23. Resolved – That the Board notes the report and will monitor future caseload performance.

Review of West Sussex Pension Advisory Board

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

25. Steve Harrison introduced the report and explained that work had been done to consider how other Pension Boards within the ACCESS group were governed. The proposals outlined in the report included an increase in board membership which would improve resilience.

26. The Board made comments including those that follow. It:
- Welcomed the proposal to increase board membership and queried if it would be useful to consider what type of members were appointed. – *Steve Harrison felt it would be difficult to prescribe this, but it could be possible to encourage representation from desired areas. The Chairman reported that the recent appointment process for the Board had received a good mix of applications. It was proposed to add the desired areas to the advertisements and also consider a balance for the size of employers represented. It was proposed to utilise newsletters and the July Annual meeting of the Pension Fund to advertise the roles. Tara Atkins also proposed using the monthly bulletin.*
 - Queried the inclusion of a regular risk register item to the agenda and what the risk register would cover. It was felt that the Board did not require its own risk register, but it would be useful to consider and make recommendations for the fund risk register.
 - Discussed the frequency of Board meetings. – *Steve Harrison explained that the inclusion of one additional meeting per year would allow improved alignment with Pensions Panel meetings. It was proposed that Board meetings should follow Panel meetings. Adam Chisnall confirmed that the draft calendar for meetings was created during the summer and that this request could be considered then.*
 - Queried if it was possible to see unconfirmed Pensions Panel minutes. – *Adam Chisnall explained that Part I minutes were made available on the Pensions Panel webpage, but proposed it may not be possible to see unconfirmed Part II minutes before they were agreed by the Pensions Panel.*
 - Discussed the recommendation to complete the Pension Regulator Toolkit modules. – *It was reported that the modules were due to be reviewed and that it may not be appropriate to ensure all current modules were complete.*
27. The Chairman welcomed the proposals that would bring consistency with other Pension Boards.
28. Resolved – That the Board.
- (1) Agrees to the inclusion of the proposed regular agenda items.
 - (2) Agrees to an increase in Board members from five to seven.
 - (3) Agrees to an increase in the minimum number of meetings per year to four.

Business Planning and Performance

29. The Board considered a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).
30. The Chairman introduced the report and explained that amendments were required to reflect the March meeting cancellation.
31. The Chairman discussed self appraisal for the board, and reported that other Boards have interviews with the Chairman or post meeting appraisal documents. The Board felt that meetings 1:1 meetings with the Chairman would be effective.

The Chairman resolved to investigate this to consider timing for these meetings. It was felt the meetings should take place before the proposed changes for the Board happen.

32. The Board queried if the increase in meeting frequency would impact the budget. – Adam Chisnall reported that the cost of an additional meeting would not increase his role costs on the budget.

33. Resolved – That the Board.

- (1) Agrees the Business Plan performance report for 2017/18.
- (2) Agrees the schedule of key tasks and activities as planned in 2017/18 and as achieved.
- (3) Agrees the budget statement showing expenditure in 2017/18 against budget and as planned for 2018/19.
- (4) Agrees the statement for inclusion in the Fund Annual Report.
- (5) Agrees that the Pensions Panel and Governance Committee be informed accordingly.

ACCESS Work Update

34. The Board considered an update report on ACCESS (copy appended to the signed minutes).

35. Steve Harrison introduced the report and informed the Board that the ACCESS pool had appointed Link Fund Solutions Ltd as its rented pool operator. By appointing the operator the fund had met the April deadline that had been set by the Government.

36. The Board discussed how pooling would impact their work and felt they would not be working with the operator, but continuing to work with the Pensions Panel.

37. Steve Harrison proposed inviting Rachel Wood or Vickie Hampshire to the next Board meeting to give a further update on ACCESS.

38. Resolved – That the update be noted.

Training

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

40. Adam Chisnall introduced the report and highlighted the previous discussion regarding the proposed review of the Pensions Regulator toolkit modules. Tara Atkins resolved to monitor for any communication regarding these changes.

41. The Chairman highlighted the Financial Statements training on the 13 June and also the CIPFA LGPS Local Pension Boards Three Years on event on 27 June.

The Chairman reported that he and Tim Stretton had attended the CIPFA LGPS Spring Seminar for local pension boards and resolved to send the slides to Board members.

42. The Board proposed inviting the Pensions Regulator to a future board meeting and felt this should be considered for 2019.

43. Resolved – that Board members complete the training needs document when it is complete and circulated.

Date of Next Meeting

44. The Board noted that its next scheduled meeting would take place on Wednesday 18 July 2018 at 9.30 a.m. at County hall, Chichester.

45. The Board requested that a risk management training session should follow the July meeting.

Exclusion of Press and Public

46. 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 11.12a.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public on 20 April 2018

Part II Minutes of the previous meeting

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

The Board agreed the part II minutes of the 29 November 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.

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Pension Advisory Board

18 July 2018

Progress Report

Date received / Minute No:	Subject:	Matters Arising	Officer Contact:
05/12/16 Minute No. 236 20/04/18 Minute No. 6	Draft Local Government Pensions Scheme Amendment regulations	Item request	Tara Atkins
July Update	The regulations to be scheduled at a Board meeting when they are available. Complete To be discussed at July meeting.		
05/07/17 Minute No. 27	Scheme Advisory Board Survey	Survey results	Peter Scales
July Update	The results of the survey to be discussed at a Board meeting when they are available. In Progress		
05/07/17 Minute No. 33	Training	Audit Training	Adam Chisnall
July Update	Audit training to be scheduled at an appropriate time for the Board. In Progress		
29/11/17 Minute No. 52	Pensions Regulator Survey	Request for results	Tara Atkins
July Update	The board requested to see the results of the Pensions Regulator Survey results when they were available. In Progress		
29/11/17 Minute No. 64 Bullet 6	Complaints data and trends	Request for information.	Tara Atkins
July Update	The Board requested to see data relating to complaints and their trends. In Progress		
29/11/17 Minute No. 71	Accuracy of contributions	Investigation into issue.	Vickie Hampshire
July Update	Vickie Hampshire resolved to investigate the potential legal requirement for funds to check the accuracy of contributions. In Progress		

Date received / Minute No:	Subject:	Matters Arising	Officer Contact:
20/04/18 Minute No. 22 5th Bullet	Compliance	Non KPI Data	Tara Atkins
	<p>The Board asked if it was possible to see details of compliance of work not covered by KPIs.</p> <p style="text-align: right;">Complete Added to reports with effect from July.</p>		
20/04/018 Minute No. 28	Changes to the Pension Advisory Board	Action to change the Board's Terms of Reference	Adam Chisnall
July Update	<p>The Governance Committee considered a report for the Pension Advisory Board at the 25 June 2018 meeting. The report included a recommendation to increase the number of members and frequency of meetings following the discussion at the previous Board meeting.</p> <p>The Governance Committee resolved that the proposed increase to the number of members and the number of meetings of the Board be approved and delegation given to make these changes to the Pension Advisory Board terms of reference be endorsed for recommendation to the County Council.</p>		
20/04/018 Minute No. 37	ACCESS	Update request	Rachel Wood
	<p>Officers proposed an update on ACCESS at the next Board meeting.</p> <p style="text-align: right;">Complete Scheduled for the July meeting.</p>		
20/04/018 Minute No. 45	Future Training	Risk Management	Adam Chisnall
	<p>The Board requested that a risk management training session should follow the July meeting.</p> <p style="text-align: right;">To be confirmed.</p>		

Pensions Panel

2 February 2018 – At a meeting of the Pensions Panel held at 10.00 a.m. at County Hall, Chichester

Mr Bradford**	Mrs Dennis	Mr Donnelly
Mr Hunt (Chairman)	Mr Jupp	Ms Taylor
Mrs Urquhart	Dr Walsh*	

No apologies for absence were received.

* Dr Walsh left at 12.30 p.m.
 ** Mr Bradford left at 2.20 p.m.

In attendance by invitation: Roger Elkins;
 Caroline Burton (Independent Adviser);
 Steven Law, Kameel Kapitan and David Walker (Hymans Robertson);
 Dominic Russell, Matthew Cunliffe and Dominic Delaforce (Aberdeen Standard);
 Lynn Dewar and Susan Swindells (Baillie Gifford)

Officers Present:

Katharine Eberhart, Director of Finance Performance and Procurement	Steve Harrison, Financial Planning Manager	Rachel Wood, Pension Fund Strategist
Laura Davies Finance Manager Pension Fund Accounting & Reporting	Jonathan Clear, Treasury Management Officer	Adam Chisnall, Democratic Services Officer

Part I

Declaration of Interests

137. Rachel Wood declared a personal interest in relation to the ACCESS Pooling Update item as her husband works as a Principal Pensions Officer at East Sussex County Council.

Part I Minutes of the Pensions Panel held on 6 November 2017

138. The Panel requested that the word ‘consider’ in minute 99 should be removed. The Panel also felt that ‘and were working successfully for the Fund’ should also be removed from minute 99.

139. Resolved – that the Part I minutes of the Pensions Panel held on 6 November 2017, amended as above, be approved as a correct record, and that they be signed by the Chairman.

Business Plan Update

140. The Panel considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

141. Steve Harrison introduced the report and explained that the report highlighted key tasks and risks for the fund.

142. It was reported that Savills had been reappointed as the external property valuer for the fund. Administration performance was also discussed, and the Panel were informed that the January figures for targets showed that the three targets had been met. New staff had been hired which had helped with administration.

143. The Panel made comments including those that follow.

- Queried if contingency plans had been considered following the recent news regarding Capita performance. – *Katharine Eberhart reported that contingency plans for all areas were being looked at. Short term emergency plans had been considered relating to how contracts were run. The Panel were reassured that payroll contingency plans were in place.*
- Sought clarity on the size of employers recently admitted to the fund, particularly Essex Cares Ltd. – *Steven Law confirmed that there were 50 members for Essex Cares Ltd.*
- Asked how long Savills had in place and what the tender process had been. – *Rachel Wood confirmed that Savills had been in place for three years. Laura Davies explained that there had been a full tender process with three bidders. Savills had been appointed under the same terms and conditions they had previously. The Panel asked if this would impact Aberdeen Standard. Rachel Wood explained that the contract with Savills was with the Pension Fund and not Aberdeen Standard. Savills were the agent of the fund and independent.*
- Queried if officers were confident that administration performance would be maintained. – *Katharine Eberhart confirmed that the figures would be carefully managed and that if the staff levels were consistent, continued levels of performance would be expected.*

144. The Panel agreed to have a discussion regarding Capita administration performance in the Part II section of the meeting as the contents of the discussion would contain exempt information.

145. Resolved - That the Panel notes the updates and proposed actions in the Business Plan.

Investment Strategy

146. The Panel considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

147. Rachel Wood introduced the report and explained that the report followed the recent informal meeting of the Pensions Panel to look at investment strategy. The report had drawn on the discussions at that meeting. Since the informal meeting Hymans Robertson had undertaken further modelling work on de-risking and re-risking.

148. David Walker gave a presentation to the Panel on the Investment Strategy Review (copy appended to the signed minutes).

149. David Walker spoke through the current strategy for the fund concerning allocation to growth assets and stabilizing assets. The review had looked into the strategy to meet longer term objectives.

150. David Walker spoke through the objectives for the fund, with a main aim to stabilize contributions by managing rate affordability and risk exposure. Asset buckets were discussed with the recommendation to recognise income as a new asset bucket. The property portfolio did not currently have a drive towards development and so would be classed within the income bucket.

151. Steven Law discussed contribution targets and that 14% was no longer appropriate due to the increase in the cost of benefits. Surplus could be carefully utilised to help reduce rates. The recommended target rate would be around 18% which would allow appropriate flexibility to allow for market fluctuations. In order to add some future-proofing to the strategy, he recommended a target in line with the cost of benefits at future valuations.

152. Steven Law outlined the different strategies that had been tested and outlined how they had scope to achieve the 18% rate. It was important to consider strategies that did not increase risk without added benefit. Probability of success measures were used to determine which strategies were suitable and which ones met the criteria of the strategy. The presentation showed a 10% and 20% de-risking strategy that would meet the desired criteria.

153. David Walker explained that it was important to consider which assets were appropriate for income generation. Getting a further 20% invested in a short timeframe would be hard to achieve and so a target of an additional 10% would be more appropriate.

154. David Walker explained the practicalities of changing the investment strategy and how they would impact income assets and ACCESS Governance. Training would also be a key consideration.

155. The Panel made comments including those that follow.

- Queried Patheon as a private equity manager and if they should come to a Panel meeting. – *Rachel Wood explained that they had not attended a Panel meeting recently due to their small portfolio size.*
- Asked if infrastructure investment would belong in the income asset bucket. – *David Walker confirmed that it would.*
- Sought clarity on the recommended timeframes for contribution changes. – *Steven Law explained that there were rules in place over how fast this could happen. All employers in the fund had to be considered to ensure those with surplus could see an added benefit.*
- Queried the timescales for implementing the new investment strategy – *Steven Law proposed two years as a good timeframe. Caroline Burton added that it would depend on what was available to buy. A lot of work would be necessary to gain confidence in the available options.*

- Asked if the model would currently propose moving bonds to growth for re-risking. – *Steven Law explained that if funding levels dropped the options would be to increase contribution rates or consider taking more risk. If the 85% funding level was reached, the Panel would make a decision to perhaps consider moving protection assets into growth assets – therefore, a minimum amount of liquidity was required in the protection bucket. If funding levels rose to a high level, such as 120%, this would meet probability considerations and so a 14% contribution rate could be considered.*
- Sought clarity on action taken when triggers were breached. – *Steven Law explained that moving funds incurred costs and so they should be considered carefully. If the fund had over a 2/3 probability rating, it may be better to wait.*
- Asked if cashflow could be utilised for investment. – *Steven Law explained that the fund is cashflow positive, but not significantly so it would take a long time to build up the required amount.*

156. Resolved - That the Panel recommends.

- a. A further asset category (income) is included as a strategic asset bucket, in addition to growth and protection.
- b. The current property mandate (10% allocation) is reclassified as an income asset
- c. The Fund seeks to move a further 10% from growth assets to an alternative income asset class (meaning a total allocation to income assets of 20%).
- d. The move should be over 2-3 years based on appropriate opportunities including arrangements available through the ACCESS pooling structure.
- e. The contribution strategy should target a contribution window around the Fund's cost of accrual, currently about 18% of pay, over the next two valuation cycles (to 31 March 2026)
- f. The current re-risking strategy, at 85%, is retained.
- g. Any re-risking follows a Pensions Panel discussion and appropriate advice.
- h. If the funding level reaches 120%, the panel should consider moving the target contribution rate to 14% during the following actuarial valuation if these levels persist.
- i. Further modelling work would be required if the funding level continued to rise beyond 120%.

Treasury Management

157. The Panel considered a report by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

158. Steve Harrison introduced the report and explained that the proposed strategy was a continuation of the existing policy. It was explained that money was held in cash to assist with transactions such as property investments.

159. Jonathan Clear explained that cash levels were monitored for the intention of paying bills and property transactions. These funds were very liquid and were passed on to cash managers to be more strategic with investment policy. £30m was currently being held for the intention of property investments.

160. The Panel made comments including those that follow.

- Queried the action that would be taken to meet the property investment target. – *Rachel Wood explained that future transactions would be over the long term. Work would be done with Aberdeen Standard to consider this. David Walker proposed that overweight equity could be used to assist with this.*

161. Resolved - That the Panel approves the 2018/19 Treasury Management Strategy and notes the treasury activity undertaken during 2017/18.

Date of Next Meeting

162. The Panel noted that its next scheduled meeting will take place on 30 April 2018 at 10.00 a.m. at County Hall, Chichester.

Exclusion of Press and Public

163. 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 3.05 p.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public on 2 February 2018

Part II Minutes of the Pensions Panel held on 6 November 2017

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

The Panel agreed the Part II minutes of the Pensions Panel held on 6 November 2017.

Capita Administration Performance

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

The Panel discussed the pension administration work that was undertaken by Capita.

Adviser Review

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

The Panel received an update from Caroline Burton, Independent Adviser, relating to the quarterly reports from the fund managers. The Panel welcomed the advice.

Presentation by Investment Managers from Baillie Gifford - Investment Activity, Performance and Future Investment Policy

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

The Panel received an update from Lynn Dewar and Susan Swindells from Baillie Gifford on the portfolio performance for the quarter.

Aberdeen Standard (formerly Aberdeen Asset Management)

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

The Panel considered a report that looked at the property contract the fund has with Aberdeen Standard.

Presentation by Investment Managers from Aberdeen Standard - Investment Activity, Performance and Future Investment Policy

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

The Panel received an update from Dominic Russell, Matthew Cunliffe and Dominic Delaforce from Aberdeen Standard on the portfolio performance for the quarter.

ACCESS Pooling Update

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

The Panel received an update on progress with the ACCESS pooling arrangements.

Breaches

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

The Panel were informed of a breach relating to a non-payment of employer and member contributions.

Tony Kershaw
Director of Law and Assurance

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If calling ask for Rachel Wood

20 April 2018

Pensions Panel

A meeting of the Pensions Panel will be held on Monday 30 April 2018, starting at **10.00 am** at County hall, Chichester.

The Panel will be joined by Caroline Burton, the Fund Adviser, the Fund Managers for UBS and Pantheon Ventures / Partners Group, and by the Actuary.

Tony Kershaw
Director of Law Assurance and Strategy

Agenda

Part I

1. 10.00 Declaration of Interests

Members and officers are invited to make any declaration of personal or prejudicial interests that they may have in relation to items on the agenda and are reminded to make any declarations at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered.

It is recorded in the register of interests that:

- Dr. Walsh is a Member of the Littlehampton Harbour Board, Arun District Council and Littlehampton Town Council
- Mr Donnelly is a Horsham District Councillor
- Mr Jupp has a daughter who works for Blackrock

These financial interests only need to be declared at the meeting if there is an agenda item to which they relate.

2. 10.02 Part I Minutes of the Pensions Panel held on 2 February 2018

To confirm the part I minutes of the meeting of the Panel held on 2 February 2018, attached (cream paper).

3. 10.04 Urgent Matters

Items not on the agenda, which the Chairman of the meeting is of the opinion, should be considered as a matter of urgency by reason of special circumstances.

4. **10.05 Part II Matters**
Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.

5. **10.05 Business Plan (2018/19)**
Report by Director Finance, Performance and Procurement attached.

The Panel is asked to note the update to the 2017/18 plan and agree fund activities for 2018/19.

6. **10.20 Investment Strategy Review**
Hymans Robertson will present on the day.

7. **10.50 Update on work with ACCESS Pool**
Report by Director Finance, Performance and Procurement attached.

The Panel is asked to note the report.

8. **11.05 Date of the next meeting**
The next meeting of the Pensions Panel will be 10.00 a.m. 25 July 2018 at County Hall.

Part II

The Panel is asked to consider in respect of the following items whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part 1 of Schedule 12A of the Local Government Act 1972 (paragraph 3: financial or business affairs of any particular person (including the authority holding the information) and because, 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 minutes and reports dealt with under this part of the agenda **are enclosed for members of the Panel only (yellow paper)**.

9. **11.05 Part II Minutes of the Pensions Panel held on 2 February 2018**
To confirm the part II minutes of the meeting of the Panel held on 2 February 2018, attached for members of the Panel only (yellow paper).

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

- 10. 11.10 Pension Administration**
Report by Director Finance, Performance and Procurement attached for members of the Panel only (yellow paper).

The Panel is asked to note the update

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

11:30 Break

- 11. 11.35 Adviser Review**
The Fund's Adviser will retrospectively review the performance of the Fund's Investment Managers during the last quarter, assess risk and review compliance.

11a. Paper by Director of Finance, Performance and Procurement summarising transactions and performance during the quarter, attached for members of the Panel only (yellow paper).

11b. Paper from the independent fund advisor giving comments on the quarter, to follow for members of the Panel only.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

- 12. 11.45 Presentation by UBS**
Portfolio from UBS for members of the Panel only.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

12.45 Lunch – for members of the Panel and Guests

- 13. 13.45 Presentation by Pantheon Ventures / Partners Group (Private Equity)**
Portfolio from Pantheon Ventures / Partners Group for members of the Panel only.

Exempt: paragraph 3, financial or business affairs of any person (including the authority).

To: all members of the Pensions Panel

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Pension Advisory Board

18 July 2018

Review of Pension Fund Policy Documents

Report by Director of Finance, Performance and Procurement

Summary

Following the recent review of the Terms of Reference of the Pension Advisory Board it was been agreed to update the regular agenda items including the review of policy documents.

Recommendation(s)

- (1) That the Board note the register of policy documents
- (2) That the Board feedback on the policies presented at the meeting

1. Introduction

1.1. The Pension Regulator Code of Practice 14 requires that –

Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme

- 1.2. Under the recent review of the Boards Terms of Reference it was agreed that the regular agenda items would be increased to include, amongst others, a review of policy documents.
- 1.3. By reviewing policy documents on a regular basis the Board will be fulfilling their role in supporting the Scheme Manager by ensuring compliance with regulations. This would also assist members in ensuring they have the relevant knowledge and understanding.

2. Pension Fund policy documents

- 2.1. The Pension Fund is required by law to keep and maintain a number of policy documents.
- 2.2. Below is the list of all the Pension Fund Policy Documents that are reviewed by officers showing where the regulations require it, how often it should be reviewed and when it is next due for review.

POLICY	Policy Requirement	How often it should be reviewed	Next date of review
Abatement policy	Regulation 70 LGPS (administration) Regulations 2008	Every 3 years	May-20
Actuarial valuation	Regulation 62 LGPS Regulations 2013	Every 3 years	Mar-19
Administration Strategy	Regulation 59 LGPS Regulations 2013	Annually	Oct-18
Annual Report	Regulation 57 LGPS Regulations 2013	Annually	Nov-18
Breaches policy	Regulation 70 Pensions Act 2004	Every 2 years	Oct-19
Communications Policy Strategy	Regulation 61 LGPS Regulations 2013	Annually	Oct-18
Conflict of Interest	Regulation 5(4) and 5(5) of the Public Service Pension Act 2013	Every 3 years	Apr-21
Employers Guide - West Sussex LGPS ¹	LGPS Regulations 2013 (SI 2013/2356)	Every 3 years	Oct-17
Funding Strategy Statement	Regulation 58 LGPS Regulations 2013	Every 3 years	Mar-19
Governance Policy and Compliance Statement	Section 55 LGPS Regulations 2013	Annually	Mar-19
IDRP (Internal Dispute Resolution Procedure)	Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008	Every 3 years	Mar-19
Investment Strategy Statement	LGPS Regulations (Management and Investment of Funds) 2016	Every 3 years	Jul-20
LGPS Administering Authority Discretions	Regulation 60 LGPS Regulations 2013	Every 4 years	Mar-22
LGPS Privacy Notice	Data Protection Act 2018 and General Data Protection Regulation (EU) 2016/679	Every 3 years	Mar-21
Risk Register	Part 4 Section 4 of WSCC Constitution	Annually	Apr-19

2.3. It is proposed that as policies are reviewed they will be presented to the Board for examination.

2.4. The Local Government Pension Scheme (LGPS) Administering Authorities Discretions and the Pension Fund Privacy Notice have recently been reviewed and updated where necessary. These are included in Appendix 1 and 2 for review. The relevant pieces of legislation are below –

¹ The review of the Employer Guide has been delayed due to review of Pension Administration provision.

- 2.4.1. The Local Government Pension Scheme Regulations 2013 regulation 60.(1) state that a Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under regulations-
- (a) funding of additional pension;
 - (b) flexible retirement;
 - (c) waiving of actuarial reduction; and
 - (d) award of additional pension,
- and an administering authority must prepare such a statement in relation to the exercise of its functions under regulation 30(8) in cases where a former employer has ceased to be a Scheme employer.
- 2.4.2. The Data Protection Act 2018 regulation 44.(1) states the controller (the County Council is the data controller for the Fund) must make available to data subjects the following information (whether by making the information generally available to the public or in any other way)—
- (a) the identity and the contact details of the controller;
 - (b) where applicable, the contact details of the data protection officer;
 - (c) the purposes for which the controller processes personal data;
 - (d) the existence of the rights of data subjects to request from the controller—
 - i. access to personal data
 - ii. rectification of personal data
 - iii. erasure of personal data or the restriction of its processing

3. Recommendation

- 3.1 It is proposed that the Board members review the most recently reviewed policies at each meeting.
- 3.2 For July’s meeting the Policies being put forward for review are;
- LGPS Administering Authority Discretions
 - LGPS Privacy notice

Katharine Eberhart
Director of Finance, Performance and Procurement

Contact: Steve Harrison 0330 2223391

Appendices

Appendix 1 – LGPS Administering Authority Discretions
 Appendix 2 – LGPS Privacy Notice

Background Papers

None

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Administering Authority Discretions

Under the LGPS Regulations, the Administering Authority has a number of discretions. These have been set out below with references to supporting documents where applicable.

R – LGPS Regulations 2013/ TP –Transitional Provisions 2014/ A – Administration Regulations 2007 / B – Benefit Regulations 2007 / T – Transitional Regulations 2008/ L – LGPS Regulations 1997/ -LGPS Regulations 1995

The pension discretions within this policy were approved by the Pensions Panel on 23rd July 2014.

All pension discretions will be reviewed at least on a 4 yearly basis, or as and when circumstances change.

Regulation No- Description of discretion	WSCC practice/discretion
R5(5) & Schedule 2 Part 3, para 1 Whether to agree to an admission agreement with a body applying to be an admission body	Agreement to Admission for an admission body is the delegated responsibility of the Chief Finance Officer. The Scheme of Delegation can be found in the WSCC Constitution.
R Schedule 2, Part 3, paragraph 12(a) Define what is meant by "employed in connection with"	The fund defines 'Employed in connection with' as meaning "employed solely or mainly (i.e. more than 50% of their time) in the management or delivery of such services as are set out in the Contract".
R4(2)(b) Whether to agree to an admission agreement with a Care Trust or NHS Scheme employing Authority	NHS staff (Public Health) retain right to participate in the NHS Pension Scheme, so it is unlikely the Administering Authority will need to exercise this discretion. Admission, if required, will be subject to agreement by the Director of Finance, Performance and Procurement. The Scheme of Delegation can be found in the WSCC Constitution.
R Schedule 2, Part 3 para 9(d) Whether to terminate an admission agreement in the event of <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement • failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	The Fund reserves the right to terminate any admission agreement (Community or Transferee) if the Admission Body is in breach of its obligations. This includes insolvency and failure to pay contributions. This right is explicitly included in all admission agreements.
R54(1) Whether to set up a separate admission agreement fund.	The Administering Authority does not currently operate any separate admission agreement funds. Any proposal to create an admission agreement fund will be subject to discussion between officers and the Fund actuary.
R64(4) Whether to obtain a revision of a employer's contribution rate if there are circumstances	The Fund requires that a revised rates and adjustment certificate is obtained in anticipation of the termination of an admission agreement (community or transferee) or where a

Regulation No- Description of discretion	WSCC practice/discretion
which make it likely a Scheme employer will become an exiting employer.	scheduled body is likely to cease.
R65 Decide whether to obtain a new rates and adjustment certificate if the Secretary of State amends the Benefits Regulations as part of the 'cost sharing' under R63	The Fund may require that a reassessment is carried out when a change to the underlying benefits occurs in the inter-valuation period. The Fund reserves the right to obtain a new rates and adjustment certificate subject to discussion with officers and the Fund actuary.
R68(2) Whether to require any strain on Fund costs to be paid "up front" by employing authority following payment of benefits under R30(6) (flexible retirement). R30(7) (redundancy/business efficiency), or the waiver (in whole or in part) under R30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement. TP Schedule 2, para 2(3) Whether to require any strain on Fund costs to be paid 'up front' by employing authority following flexible retirement under R30(6) or waiver of actuarial reduction under TP schedule 2, para 2(1) or release of benefits before age 60 under B30 of B30A R80(5) Whether to require any strain on Fund costs to be paid 'up front' by employing authority following early voluntary retirement of a councillor, or early payment of a deferred benefit on health grounds or from age 50 with employer consent (pre 1.4.08 leavers)	The Administering Authority's policy is to recharge the full strain costs as a single lump sum or spread over a period of up to three years. Chief Finance Officer to agree exceptions to the current practice.
R69(1) Decide frequency of payments to be made over to Fund by employers and whether to make an administration charge	Employer contribution rates include an element to cover administration expenses. This is referred to in the Fund's Actuarial Valuation report.
R69(4) Decide the form and frequency of information to accompany payments to the Fund	Employer (or their payroll bureau) must provide monthly remittance to Financial Services along with their payment and complete a quarterly confirmation. All employers have been notified of this requirement.
R70 & TP22(2) Whether to issue employers with a notice to recover additional costs incurred as a result of the employer's level of performance	The Administering Authority does not currently issue employers with a notice to recover additional costs incurred as a result of an employer's level of performance but reserves the right to raise a charge as agreed by the Chief Finance Officer on a case by case basis.
R71(1) Whether to charge interest on payments by employers overdue by more than 1 month	The Administering Authority will charge interest as defined in regulation 71 on late payments, except in exceptional circumstances.
R36(3) Approve medical advisors used by employers (for ill health benefits) A56(2) Approve medical advisors used by employers (for early payment, on grounds of ill health, of a deferred benefit or suspended Tier 3 ill health pension)	Each employer appoints their own medical advisor based on required qualifications and the certificate wording confirms the doctor has the required qualifications.

Regulation No- Description of discretion	WSCC practice/discretion
L97(10) Approve medical advisors used by employers (re: ill health benefits for councillors and pre 1.4.08 preserved benefits payable on health grounds)	
R79(2) & A63(2) & L105(1) Whether the administering authority should appeal against employer decision (or lack of a decision)	This is considered on a case by case basis.
R58 Decide on Funding Strategy for inclusion in Funding Strategy statement	The Funding Strategy is prepared, maintained and published in accordance with the Regulations. The Funding Strategy is consulted on by employers and approved by the Fund's Pensions Panel The Funding Strategy Statement is published on the Funds web pages.
R61 Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective member and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.	The Communication policy is prepared, maintained and published in accordance with the Regulations and circulated to employers. The communication policy is published on the Funds web pages.
R59(1) & (2) Whether to have a written pensions administration strategy and, if so, the matters it should include	Capita, on behalf of the Administering Authority has produced and will maintain a pension's administration strategy .
R76(4) and A60(8) & L99 Decide procedure to be followed by Administering Authority when exercising its stage two Internal Dispute Resolution Procedure (IDRP) functions and decide the manner in which those functions are to be exercised.	Any stage two IDRP applications will be referred to the nominated person, Head of Law & Governance, to provide a report on the appropriateness of the stage one decision. This report will be considered by the administering authority when making a determination under stage two. A copy of the IDRP and application form is published on the Funds web pages.
TP3(13), A70(1), A71(4)(c) & T12 & L109, L110(4)(b) Decide policy on abatement of pensions following re-employment	The Administering Authority abates pension on re-employment with the Council or any other local authorities. A copy of the abatement policy is published on the Fund's website.
R80(1)(b) & TP 22(1) & A64(1)(b) Specify information to be supplied by employers to enable the Administering Authority to discharge its functions	The Administering Authority will specify the standard information and actions required by employers, their format, frequency and level of accuracy in our Employer's Guide and Administration Strategy.
R89(5) & 106A(5) Date to which benefits shown on annual benefit statement are calculated	Benefits in the Annual Benefit Statement will be as at 31 March each year.
R98(1)(b) Agreement to bulk transfer payments	Bulk transfer terms will be negotiated and agreed on a case by case basis in consultation with the Fund Actuary and the Scheme employer.
R22(3)(c) Pension account may be kept in such form as is considered appropriate	Capita, on behalf of the Administering Authority maintain pension accounts on their Hartlink administration system.

Regulation No- Description of discretion	WSCC practice/discretion
	Appropriate contractual measures are in place to ensure the administration system meets the requirements of the regulations.
31(2) Agree to pay annual compensation on behalf of employer and recharge payments to employer	Capita, on behalf of the Administering Authority will pay annual compensation and recharge the payments on a monthly basis. Appropriate quarterly reconciliation measures are in place to ensure that the recharge takes place.
R100(7) Allow the transfer of pension rights into the Fund R100(68) Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	The Pension Fund will usually allow transfers from Club and Non Club Schemes ¹ provided that the application is made within 12 months of joining the Scheme. The 12 month time limit may be extended in agreement with the HR Consultant (Pensions) and the employer if it is clear that you were unable to meet the normal time period due to circumstances beyond your control.
TP10(9) Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	The most advantageous to the member will be chosen.
R16(10) Whether to require a satisfactory medical before agreeing to an application to pay an Additional Pension Contribution (APC) or Share Cost Additional Pension Contribution (SCAPC) Whether to turn down an application to pay an APC/SCAPC if not satisfied that the member is in reasonably good health.	A satisfactory medical report by a registered medical practitioner is required. The report should detail whether in their opinion the member is in reasonably good health to undertake APC/SCAPC's. If this is not satisfied then the application to pay an APC/SCAPC will be turned down. All costs incurred to establish that a member is in reasonably good health to undertake APC/SCAPC's are at the member's expense. Members are advised of this requirement on the Fund's website.
R16(1) Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)	The Fund requires that any payments proposed that are less than £10 per month, would require agreement from the HR Consultant (Pensions).
TP15(1)(d) & A25(3) Whether to charge member for the provision of an estimate of additional pension that would be provided by the Scheme in return for the transfer of in house Additional Voluntary Contribution / Shared Cost Additional Voluntary Contribution (AVC/SCAVC) funds (where AVC/SCAVC arrangement was entered into before 1/4/14)	The Administering Authority's current policy is not to charge. However the Administering Authority reserves the right to introduce a charge in the future. Members are advised of this on the Fund's website.
TP15(1)(c) & T schedule 1 & L83(5)	A member may make an election to make a lump sum payment, if they stop paying added

¹ Transfer Club is a network of public sector pension schemes generally providing membership credits of equivalent lengths when a member transfers between them. Personal pension plans not provided by companies in the Transfer Club are rarely of an equivalent length and can vary greatly from scheme to scheme.

Regulation No- Description of discretion	WSCC practice/discretion
Extend time period for capitalisation of added years contract	years contributions before their Normal Retirement Date on leaving their employment by reason of redundancy, at least 12 months after electing to pay them. An election must be made within 3 months of them leaving and will only be extended in exceptional circumstances in agreement with the HR Consultant (Pensions).
A45(3) & L89(3) Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Outstanding employee contributions will be recovered by deduction from benefits as agreed by the HR Consultant (Pensions).
R32(7) Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement	This is considered on a case by case basis, as agreed with the HR Consultant (Pensions).
R49(1)(c) & B42(1)(c) Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member
R34(1) & B39 & T14(3) & L49 & L156 Decide whether to commute small pension	The Administering Authority would look to commute a small pension, as calculated under the regulations and within HMRC limits.
L50 & L157 Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08 leavers and 1.4.08 Pension Credit members)	The Administering Authority would provide the member with the option to commute where appropriate.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2) & E8 Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member	The most advantageous figure is applied as this would be chosen by deceased member.
L22(7) Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98/pre 1.4.08)	The most advantageous figure would be used as this would be chosen by deceased member.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & T Schedule 1 & L23(9) Make an election on behalf of a deceased member with a certificate of protection of pension benefits (i.e. determine the best pay figure to use in the benefit calculations (pay cuts/restrictions occurring pre 1 April 2008))	Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member
TP17(5) to (8), R40(2), R43(2), R46(2) & B23(2), B32(2), B35(2) & T Schedule 1 & L155(4) Decide to whom a death grant is paid	Where it is clear, having taken account of all the circumstances, payment is taken in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner following receipt of Grant of Probate or Form of Indemnity. Where there is any doubt this is delegated to the HR Consultant (Pensions).
R82(2) & A52(2) & L95 Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of	In the first instance the Administering Authority will always refer to the member's expression of wish form. If this has not been completed it will pay the death grant to a members legal spouse,

Regulation No- Description of discretion	WSCC practice/discretion
Estates (Small Payments) Act 1965	cohabiting partner or civil partner. Where there is any doubt about the appropriate course of action, the decision is delegated to the HR Consultant (Pensions).
R17(12) Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	Where it is clear, having taken account of all the circumstances, payment is made in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner. Where there is any doubt this is delegated to the HR Consultant (Pensions) or Probate obtained.
R83 & A52A Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit	The Fund will pay benefits to the person having care of the pensioner, or such other person as they may determine where the pensioner is incapable of managing his or her affairs as agreed by the HR Consultant (Pensions).
B27(5) & L47(2) & G11(2) Whether to pay the whole or part of a child's pension to another person for the benefit of that child	The Fund will pay benefits to the child's legal guardian or such other person as they may determine where the child is under the age of 18 or where it can clearly be identified that it would be in the child's best interests when they are over the age of 18, as agreed by the HR Consultant (Pensions).
L47(1) & G11(1) Apportionment of Children's pension amongst eligible children (children of pre 1.4.98 retirees/pre 1.4.98 deferreds)	Eligible children's pensions will be paid on an equal share basis.
R Schedule 1 & TP17(9) Decide to treat child as being in continuous education or vocational training despite a break	The Fund will treat the child being in continuous education or training despite a break.
R Schedule 1 & TP17(9)(b) & B25 Decide evidence required to determine the financial dependence of a cohabiting partner on scheme member or financial interdependence of a cohabiting partner and scheme member	Considered on a case by case basis, taking consideration of LGPS Regulation requirements and advice from the Council's Legal Services team.
F7(1) Suspension of spouses' pensions during re-marriage or cohabitation	Spouse's pensions are not ceased on re-marriage or cohabitation but are payable for life. This was introduced to equalise benefits for those members leaving active service after 31 March 1998.
L147 How to discharge Pension Credit liability	This is considered on a case by case basis.

Privacy Notice

West Sussex County Council in administering the West Sussex Local Government Pension Scheme has a specific Privacy Notice to its members. This explains how personal information is obtained and going to be used, what it is used for, who it might be shared with and why, and for how long it is kept.

The information you provide helps us to provide you with a pension service and to make sure that we meet our legal duties and responsibilities.

The County Council will process personal data to administer the West Sussex Local Government Pension Scheme.

The information you provide will be treated confidentially at all times.



Introduction

West Sussex County Council is the Data Controller for the purposes of the relevant data protection legislation. This means that the County Council is responsible for making decisions about how your personal data will be processed and how it may be used.

This privacy notice specifically relates to how the County Council will process personal data to administer the West Sussex Local Government Pension Scheme. Information on privacy notices for other services the Council provides can be found on the Council website <https://www.westsussex.gov.uk/privacy-policy/>.

This privacy notice sets out what data we hold, how we obtain it, why we hold it and what we do with it.

The information you provide will be treated confidentially at all times. Security safeguards apply to both manual and computerised held data, which can only be accessed by relevant staff.

You are entitled to request access to, and a copy of, any information we hold about you. You have the right to withdraw your consent to the processing of your data as set out in this notice.

Data Controller

West Sussex County Council (WSSCC) complies with the Data Protection Act and the General Data Protection regulation (GDPR) and is registered as a 'Data Controller' with the Information Commissioner's Office (Reg. No.6413427).

The Data Protection Officer (DPO) for WSSCC can be found on our website within the County Council's overarching Privacy Policy at <https://www.westsussex.gov.uk/privacy-policy/>

Categories of personal data which we process and hold

The County Council will process personal data to administer the West Sussex Local Government Pension Scheme. The types of data we process and hold will include:

- **Contact details**, including name, address, telephone numbers and email address.
- **Identifying details**, including date of birth and national insurance number.
- **Information relating to your benefits in the Fund**, including length of service or membership and salary.
- **Other information in relation to your membership of the Fund or to enable the calculation or payment of benefits**, for example bank account details.
- **Information about your family, dependents or personal circumstances**, for example, marital status and information relevant to the distribution and allocation of benefits payable on death.
- **Information about your health**, for example, to assess eligibility for benefits payable on ill health, or where your health is relevant to a claim for benefits following the death of a member of the Fund.
- **Information about a criminal conviction** if this has resulted in you owing money to your employer or the Fund and the employer or Fund may be reimbursed from your benefits.
- **Information concerning sensitive personal data**, such as health information. Extra protections apply under the data protection legislation for this category of data. We will only process this data with your consent, unless we can lawfully process this data for another reason permitted by that legislation. You have the right to withdraw your consent to the processing at any time by notifying the County Council in writing.

If you do not give consent, or subsequently withdraw it, the County Council will not be able to process the relevant information to make decisions based on it, including the payment of your benefits.

Where you have provided us with personal data about other individuals, such as family members, dependants or potential beneficiaries under the Fund, please ensure that those individuals are aware of the information contained within this notice.

How we obtain personal data

We obtain data from:

- You directly
- Your current or past employer(s) such as salary information
- From a member of the Fund (where you are or could be a beneficiary of the Fund as a consequence of that person's membership of the Fund)
- From other sources including public databases (such as the Register of Births, Deaths and Marriages), our advisers and government or regulatory bodies, including those in the list of organisations that we may share your personal data with set out below.

The Legal basis for Processing Personal Data

The legal basis for our use of your personal data will generally be one or more of the following:

- To satisfy our legal obligations as the Administering Authority of the Fund;
- To carry out a task in the public interest or in the exercise of official authority in our capacity as a public body;
- For the legitimate interests of administering and managing the Fund and liabilities under it, calculating, securing and paying benefits and performing our obligations and exercising any rights, duties and discretions the Administering Authority has in relation to the Fund;
- To meet our contractual obligations in relation to the Fund (for example, under an agreement that you will pay additional voluntary contributions to the Fund), or to take steps, at your request, before entering into a contract.

How will we use the information about you?

We will use this data to deal with all matters relating to the Fund, including its administration and management. This can include the processing of your personal data for all or any of the following purposes:

- To contact you.
- To assess eligibility for, calculate and provide you (and, if you are a member of the Fund, your beneficiaries upon your death) with benefits.
- To identify your potential or actual benefit options.
- To allow alternative ways of delivering your benefits, for example, through the use of insurance products and transfers to or mergers with other pension arrangements.
- For statistical and financial modelling and reference purposes (for example, when we assess how much money is needed to provide members' benefits and how that money should be invested).
- To comply with our legal and regulatory obligations as the administering authority of the Fund.
- To address queries from members and other beneficiaries and to respond to any actual or potential disputes concerning the Fund.
- The management of the Fund's liabilities, including the entering into of insurance arrangements and selection of Fund investments.

Agenda Item 9

Appendix 2

- In connection with the sale, merger or corporate reorganisation of or transfer of a business by the employers that participate in the Fund and their group companies.

Who we share data with

From time to time we will share your personal data with third parties, including our contractors, advisors, government bodies, dispute resolution and law enforcement agencies and insurers in order to comply with our obligations under law, and in connection with the provision of services that help us carry out our duties, rights and discretions in relation to the Fund.

Occasionally we may provide some of your data to your employer for the purposes of enabling your employer to understand its liabilities to the Scheme. Your employer would generally be a controller of the personal data shared with it in those circumstances. The County Council has data sharing agreements in place with each of the employers in the scheme.

We will share your information with the Fund's professional advisers, Hymans Robertson. Hymans Robertson LLP provides actuarial, benefits consultancy, governance consultancy and investment advice, analytics and assessments to the Administering Authority. When providing actuarial services, Hymans acts as a data controller. For more information on this role, please visit:

https://www.hymans.co.uk/media/uploads/How_Hymans_Robertson_uses_your_personal_data_LGPS.pdf

Your data will also be shared with Club Vita LLP, who provide longevity (life expectancy) analytics and related information for the purpose of helping us to manage the Fund's liabilities.

Hymans Robertson LLP and Club Vita LLP may appoint service providers or sub-processors to help in the provision of their services. For details, please visit:

<https://www.hymans.co.uk/information/trust-centre/>

We may pass data to:

- Internal departments such as legal services, Internal Audit, WSCC records office
- Central government such as Cabinet Office, Department for Work and Pensions, HM Revenue and Customs (If a member's family opts to participate in the [Tell Us Once \(TUO\)](#) service)
- Other third-party organisations, as allowed by law
- Our appointed external Auditor and legal advisors
- Our appointed Additional Voluntary Contribution Providers (if you have made an application)
- The Pensions Ombudsman
- The Pensions Regulator
- Those who assist with discharging the County Council's duty to protect the public funds it administers in the prevention and detection of fraud. This includes providing data to the [National Fraud Initiative](#), the use of the [Disclosure of Death Registration Information \(DDRI\)](#) and [General Register Office \(GRO\)](#) databases. More information about Fraud in West Sussex can be found on the [County Council's main website](#).
- Other LGPS pension funds in England, Wales and Scotland.

We will not share data with third-parties for marketing purposes.

Transfer outside the European Economic Area

If your data needs to be transferred we will make sure that an appropriate level of protection is in place.

How long will we store information about you?

Personal data will not be retained for longer than necessary in relation to the purposes for which they were collected. Data about current and ex-members is held in order to enable the administration of pension services for those members, to meet statutory obligations and to prevent, detect and monitor crime.

For relevant data held to ensure the correct payments of benefits the retention period is one hundred years from the date of last contact with Scheme dependents. This includes a member's pension file, payroll information for pension calculations and pension service reports.

Rights

You have the right to:

1. Be informed of data processing (which is covered by this Privacy Notice)
2. Access information (also known as a Subject Access Request)
3. Have inaccuracies corrected
4. Have information erased
5. Restrict processing
6. Data portability (obtain and reuse your personal data for your own purposes)
7. Intervention in respect of automated decision making¹
8. Withdraw consent
9. Complain to the Information Commissioner's Office (see below)

Complaints to the Information Commissioner's Office (ICO)

If you are unhappy with the way your request has been handled, you may wish to ask for a review of our decision by contacting the Data Protection Officer on 01243 777100 or dataprotection@westsussex.gov.uk .

If you are not content with the outcome of the internal review, you may apply directly to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted our internal review procedure. You can obtain further information about these rights from the Information Commissioner's Office at: www.ico.org.uk or via their telephone helpline (0303 123 1113).

¹ automated decision making is rarely operated within WSCC

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Pension Advisory Board

18 July 2018

Administration Procedures and Performance

Report by Director of Finance, Performance and Procurement

Summary

This report provides a high level view of the administration process and performance in support of the Pension Fund and its members, active, deferred and retired.

Recommendation

That the Pension Advisory Board receives the report and confirms any further information that they require.

1. Background and Context

- 1.1 As the Board are aware, Capita provide the Pension Administration Service for the West Sussex Local Government Pension Fund. The administration team are based in Chichester and the County Council works closely with Capita.

2. Compliance with Scheme Regulations

- 2.1. The Terms of Reference for the Pension Advisory Board includes assisting the Scheme Manager to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it. The following projects are therefore considered relevant to note work being undertaken to comply with changes.

Amendment Regulations

- 2.2. On 27 May 2016, The Ministry for Housing, Communities and Local Government (MHCLG) opened a consultation on proposed changes to Local Government Pension Scheme (LGPS) in England and Wales. On 19 April 2018, the LGPS (Amendment) Regulations were laid before Parliament, and the Ministry for Housing, Communities and Local government (MHCLG) responded to the original consultation on the same day.
- 2.3. The Regulations came into force on 14 May 2018 but certain provisions have effect from 1 April 2014.
- 2.4. A summary of the Amendment Regulations are set out below. A detailed breakdown is available in the LGA Bulletin 171. See background information below.

- 2.5. There is a requirement for all Administering Authorities to communicate the Regulation changes to scheme members as soon as possible, and in any event by 13 August 2018 (three months of the date of change). West Sussex will utilise the newsletter produced by the LGA's Communications Working Group to fulfil this requirement (which will be provided via the member newsletter, via the member's news section of the website and via post to those who have opted out of electronic communication).

Amendment	Action Required
An Administering Authority is no longer required to notify MHCLG of an admission and provide them with a copy of the admission agreement. However the Administering Authority must publish a list of the admission agreements it has entered into and keep this up to date.	The list of admission agreements will form part of the Fund's annual report's listing of active employers at 31 March each year. This is in compliance with advice from the Local Government Association.
Requirement to pay an exit credit to exiting employers	The Funding Strategy Statement is being reviewed to reflect the ability for employers to be entitled to an exit credit (previous wording related to cessation debt only). The Fund will consider cash flow implications.
Payment of deferred benefits at age 55 for leavers dependent on when they left the Scheme. This is to align the entitlement to early payment of benefits to that of members in the 2014 section of the scheme.	The Pensions Team will need to amend their processes and the administration system will require updating to allow for members to access their benefits early.
Expansion of the statutory unpin for members who were an active member of another public service pension scheme on 31 March 2012, were within 10 years of age 65 at 1 April 2012 and then joined the LGPS and transferred their benefits.	The Pensions Team will need to change their communications, processes and pensions systems to account for these changes. In addition, they will also need to review past cases to determine if the underpin should have applied to benefits that are already in payment.
Alignment of AVC payment options whether taken out pre and post 2014.	The Pensions Team will need to change their communications, processes and pensions systems to account for these changes.

- 2.6. Further amendments have been made to the Local Government Pension Scheme Regulations to allow the Regulations to deliver the original policy intention. These are summarised in Appendix 1. No action is required with these, and should just be noted by the Board, as the Pensions Team and/or Pension Fund have already been following guidance that delivered the original policy intention.

Governance and Administration survey

- 2.7. The Pension Regulator (TPR) have published their 2018 report on the findings of the governance and administration survey (undertaken in November and December 2017) of public sector pension schemes.
- 2.8. In total 191 of the 207 public sector pension schemes completed the survey.
- 2.9. The reports covers Scheme governance, record-keeping, internal controls and member communications and is a key indicator about what the Pensions Regulator will be focused on over the next year. The West Sussex Fund is considering the report and its response to the findings included.

3. Performance

- 3.1. The principal functions of the Board's include "seeking assurance that administration performance is in compliance with the Administration Strategy". The following items are considered relevant in respect of compliance of the Fund and its employers in line with the Strategy and Regulations.
- 3.2. Details of the caseload performance reported against target are shown in Appendix 2.
- 3.3. In relation to contribution payments specifically detailed analysis of the date contributions were paid to the Fund is set out in Appendix 3.
- 3.4. As reported previously the Fund had not received any payments from one employer (covering two Admission Agreements) in the last financial year and this was included in the Breach report. The Pension Fund liaised with legal services to resolve the outstanding payments and ultimately has a guarantee from the local authority concerned with this service. The local authority has now made payment of the outstanding contributions to the Fund.
- 3.5. Details of the Membership Movements are shown in Appendix 4.

Compliments and Complaints

- 3.6. At the last meeting the Board asked to see details of the compliments and complaints received through the Pensions Team.
- 3.7. This information is provided to Officers on a monthly basis, which allows for them to identify any trends and service improvements that may be required.
- 3.8. A copy of the summarised report is attached at Appendix 5

4. Communications

- 4.1. The principal functions of the Board's includes "Considering the effectiveness of communication with employers and members including the Communication

Strategy". The following items are considered relevant in respect of the Board supporting effective communication.

Employer Communication

Survey

- 4.2. In the Communication Policy Statement, the Fund undertakes to request feedback from members and employers via a Customer Satisfaction survey. An online employer survey was conducted in November 2017. This offered the chance for employers to submit valuable feedback to the Pension Fund in relation to Pension Fund and administration performance. A summary of the responses is available at Appendix 6.

Member Communication

Newsletter

- 4.3. The Communication Policy Statement undertakes to provide an annual newsletter (for current members and pensioners) which provides updates in relation to changes to the Schemes as well as other related news. The Active member newsletter for 2018/19 has been drafted and is in the process of being signed off. This will be published in line with the Annual Benefit Statements.

Annual Benefit Statements

- 4.4. The statutory deadline for production of Annual Benefit Statements is 31st August each year. Capita produce these on the Funds behalf.
- 4.5. Due to resource the Pensions Team are currently running two weeks behind their schedule. However it is envisaged that this will be caught up and the statutory deadline met.
- 4.6. This is being monitored and any risks assessed weekly by Officers in a regular catch up meeting.

5. Change to Pension Admin Provider

- 5.1 As a part of the overall review of the contract the County Council has with Capita for back office functions, the element relating to pension administration has been reviewed. Since the Contract was awarded there have been additional complexities added to the Local Government Pension Scheme. These include, for example, the move to members benefits being based on Career Average Revalued Earnings (or CARE) rather than a members final salary scheme and a significant increase in size – for example an increase in employer numbers.
- 5.2 The Capita Pensions Administration Service has had difficulties in meeting their Key Performance Indicators in recent years and a survey last year indicated 63% of Scheme members were less than satisfied with the time taken to answer queries.

- 5.3 Based on advice from independent consultants, alternative service providers were considered, applying the following criteria:
- Costs of service delivery, including any transition costs.
 - Performance on key tasks/transactions, quality of data and track record on delivery.
 - Timeframe and plans for a successful transfer.
 - Use of IT processing technology, on line accessibility, automation levels for transactions and system controls.
 - Governance framework for collaboration with West Sussex.
- 5.4 Subsequently, the Cabinet Member for Finance and Resources has agreed the variation to the Capita contract and that Hampshire CC has been appointed as new providers (which will be through a Delegation Agreement), which is anticipated to occur by March 2019. The decision was previewed at the Performance and Finance Select Committee first. A verbal update will be given at the meeting

Katharine Eberhart
Director of Finance, Performance
and Procurement

Contact: Rachel Wood, Pension Fund Strategist, 0330 222 3387

Background

[LGA Bulletin 2018 - Bulletin 171](#)
[The Pension Regulator's Governance and Administration Survey Results](#)
[CIPFA Guidance on Pension Boards](#)

Appendices

Appendix 1 – Amendment Regulations
Appendix 2 – Caseload Performance
Appendix 3 – Contribution Monitor
Appendix 4 – Membership Movement
Appendix 5 – Compliments and Complaints
Appendix 6 – Employer survey results

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Amendment Regulations

It was identified that the way the original set of Regulations were written, for some areas could have been interpreted incorrectly and therefore providing the wrong outcome.

Amendment	Requirement
Change of definition of local government service	To align admission body provisions with the LGPS more closely with the Public Service Pensions Act 2013
Cancellation of membership of the 50/50 section	<p>To make clear that where a member is contributing to the 50/50 section of the scheme, membership of that section is cancelled from the beginning of the first pay period after:</p> <ul style="list-style-type: none"> • The member's automatic re-enrolment date, or • The member goes onto nil pay as a result of sickness, injury, or child-related leave provided that the member is still on no pay at the beginning of that pay period
Contributions during absence from work	Before the change, the regulation could be interpreted incorrectly to mean that where a member is on either child related leave, reserve forces leave or on leave due to sickness, they would only be credited with earned pension if they were in receipt of pensionable pay. Members deemed to be in receipt of assumed pensionable pay (sickness, injury, child-related leave or reserved forces duties) would have been excluded.
Calculation of assumed pensionable pay	<p>There may be occasions where the outcome of the prescribed calculation is, in the employer's opinion, materially lower than the actual level of pensionable pay the member would normally receive had they been at work.</p> <p>In these circumstances, the employer may substitute a higher level of pensionable pay than the APP value to reflect the level of pay the member would normally have received.</p>

	<p>In making such a determination, the scheme employer must have regard to the pensionable pay received by the member in the previous 12 months. If the member has not received any pensionable pay in the previous 12 months, this does not prevent an employer from making a determination to substitute a higher level of pensionable pay.</p> <p>The changes are introduced to align the regulations with what is likely to be happening in practice</p>
<p>Benefits payable where a member is dismissed on the grounds of redundancy or business efficiency</p>	<p>To make clear that where an active member, aged 55 or over, is dismissed from an employment on the grounds of redundancy or business efficiency, or whose employment is terminated by mutual consent on business efficiency, only the benefits derived from the member's active pension account are payable without reduction under this regulation.</p>
<p>Maximum tax-free lump sum payable from an AVC plan started on or after 1 April 2014</p>	<p>To make clear that the maximum tax-free lump sum payable from an AVC plan (established on or after 1 April 2014) is limited to 100% of the value of the AVC plan.</p>
<p>Inclusion of ill health enhancement when calculating survivor benefits</p>	<p>To make clear that where survivor benefits are payable upon the death of a member who was in receipt of a Tier 1 or Tier 2 ill health pension under the 2014 Scheme, a proportion of the ill health enhancement is fed into the calculation of any survivor benefits</p>
<p>Lifetime Allowance protections</p>	<p>To make clear that in determining a member's lifetime allowance, primary, enhanced, fixed and individual protection may be taken into account, as appropriate.</p>
<p>Scheme employer additional payments in respect of early retirement where a member has reached the age of 55 or over and the employer chooses to waive the</p>	<p>Prior to this amendment, the regulations had inadvertently missed this cost from the list of additional payments that a scheme employer may be required to make to a fund.</p>

reduction to their benefits.	
Transfers (under which legislation a member is allowed the right to transfer out of the scheme)	Prior to this amendment, the regulations incorrectly referenced revoked legislation.
Clarification of the definitions: partner, statutory pay and revelation adjustment	To make clear that a partner can be the partner of an active, deferred, deferred pensioner and pensioner member. Prior to the amendment the definition of partner was specific to an active member only.
Connected scheme employers reference corrected	Prior to the amendment the regulations incorrectly referenced a local authority as being a connected employer, this wouldn't always be the case.
Aggregation – clarification of Normal Pension Age (NPA)	Prior to the amendments, the regulations inadvertently protected the NPA of the aggregated benefits to that of the 1995 regulations.
Aggregation – introduction of time limit	This amendment removes an unintended provision for certain members who have an open ended right to elect for the aggregation of a deferred benefit.
Correction to additional contributions paid before 1 April 2014 in a refund paid under the 2013 Regulations	Prior to this amendment, the regulations could have been interpreted to mean that the additional contributions (including AVCs) were not refunded at the same time as the main scheme contributions. This could have resulted in orphan AVCs.

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Caseload Performance – Local Government Pension Scheme

Detail of KPI	Target %	Mar 17	Apr 17	May 17	Jun 17	July 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18
Benefits Payments - Payments made to new pensioners within 10 working days of receipt of all information	97.00	96.6% 144/149	81.5% 110/135	81.0% 124/153	86.8% 132/152	95.4% 125/131	96.3% 26/27	87.3% 84/96	97.2% 70/72	89.5% 51/57	85.8% 145/169	100% 56/56	98.77% 160/162	99.23% 129/130	88.11% 252/286	64.20% 122/190
Retirement Estimates - Estimates provided within 10 working days of receipt of all information	97.50	63.6% 168/264	61.9% 109/176	64.5% 151/234	66.7% 156/234	58% 119/205	82.7% 67/81	66.2% 102/154	58.9% 66/112	72.8% 118/162	70.7% 94/133	98.57% 103/105	92.78% 167/180	90.21% 212/235	76.27% 241/316	61.20% 60/80
Deferred Benefits Statements to deferred (members leaving eligible employment) 20 working days	97.5	39.3% 35/89	14.0% 48/342	9.9% 14/141	17.8% 32/180	60.7% 37/61	83.3% 5/6	50.0% 38/76	34.4% 43/125	22.7% 70/309	91% 364/400	100% 27/27	91.44% 171/187	91.10% 297/326	84.07% 322/383	83.10% 207/249

Detail of KPI	Target %	Mar 17	Apr 17	May 17	Jun 17	July 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18
Reworking by Actuary Rejection by the actuary for higher than 1% inaccuracy (reported annually)	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA	NA	NA	NA

Definition of KPIs

Benefit Payment

% of pension benefits, retirement benefits and death benefits paid accurately and in line with payment timelines, following appropriate authorisation.

1. Retirement Benefits – Lump Sum to be paid within 10 working days of receipt of all necessary paperwork to be able to make payment
2. Retirement Pension – To be sent to pensioner payroll for the next available pensioner payroll run

Retirement Estimates

Estimate to be provided within 10 working days of receipt of all necessary information required to produce estimate - % calculated accurately and within timescales.

Deferred Benefits

% Deferred Benefits upon Leaving – Letter informing member of their deferred pension rights to be issued within 20 working days of receipt of all necessary information required to produce calculation - % calculated accurately and within timescales.

Reworking By Actuary

% of data sets provided to the Pension Fund actuary which required reworking on rejection by the actuary for higher than 1% inaccuracy and / or inadequacy as a % of the total number of such data sets provided to the actuary.

March 2018

	Success	Failures	Work completed outside of target (working days)						
			1-10	11-20	21-30	31-40	41-50	51-60	61+
Total	722	61	38	16	2	2	1	0	2
LGPS	638	53	34	14	2	2	1	0	0

Total number of cases = 3,820

KPI related = 783 (23.87%)

Non-KPI related = 2,497 (76.13%)

April 2018

	Success	Failures	Work completed outside of target (working days)						
			1-10	11-20	21-30	31-40	41-50	51-60	61+
Total	815	170	68	34	13	12	4	3	36
LGPS	718	146	54	33	13	8	2	3	33

Total number of cases = 3,435

KPI related = 985 (28.68%)

Non-KPI related = 2,450 (71.32%)

May 2018

	Success	Failures	Work completed outside of target (working days)						
			1-10	11-20	21-30	31-40	41-50	51-60	61+
Total	575	242	170	23	16	7	4	3	19
LGPS	489	208	149	16	15	6	4	3	15

Total number of cases = 3,404

KPI related = 817 (24%)

Non-KPI related = 2,587 (76%)

Late Contribution Payments

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD Average
Late	4	8	6	5	5	9	7	7	6	3	4	2	5.5
On time	181	179	181	182	182	178	181	181	181	185	187	190	182.3
Number of Active Employers	185	187	187	187	187	187	188	188	187	188	191	192	187.8
% Late of Active Employers	2.16%	4.28%	3.21%	2.67%	2.67%	4.81%	3.72%	3.72%	3.21%	1.60%	2.09%	1.04%	2.93%
Average Days Late *	264.25	137.25	153.00	164.40	250.40	126.00	140.71	119.29	66.67	92.00	53.50	72.00	136.6
Total Amount Overdue (£)	14,205	17,938	11,457	37,572	421	78,223	2,444	53,686	68,949	43,447	949	0	27,440.8
Total Contributions (£m)	9.8	9.8	9.6	9.7	9.6	9.6	9.9	9.8	9.9	9.7	9.7	9.7	9.7
% Late of total contributions	0.14%	0.18%	0.12%	0.39%	0.00%	0.82%	0.02%	0.55%	0.70%	0.45%	0.01%	0.00%	0.3%

* Note, these figures are being distorted by five employers. The average days late excluding these 5 employers are below:

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Average Days Late .	4.00	27.60	16.00	22.50	0.00	8.00	19.00	19.00	19.00	14.00	4.00	0.00

% Late Payments	No. ERs	% total ERs
0%	176	89%
1% - 10%	11	6%
11% - 20%	2	1%
21% - 30%	1	1%
31% - 40%	0	0%
41% - 50%	2	1%
51% - 60%	0	0%
61% - 70%	1	1%
71% - 80%	0	0%
81% - 90%	0	0%
90% - 100%	4	2%
	197	

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Membership Movements - March 2018 to June 2018

Membership Type	01/03/2018	Joiners	Leavers	30/06/2018
Active	27,133	1,191	678	27,646
Deferred	26,045	392	194	26,243
Pensioner	16,509	212	105	16,616
Spouse/Dependant	2,414	48	68	2,394
Total	72,101	1,843	1045	72,899

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Pensions Complaints/Compliments Analysis 2017/18

Month	Number of new cases	Compliment	Delay	Correspondence not received /wrong address	Charges /fees	Non-receipt of pension /late payment	ABS error	Incorrect figures /information	Unhappy with regs	Abatement	User error/HOL or website	Member expectations not met	Dispute over amount
April	7	1	3	1	0	1	1	0	0	0	0		
May	7	0	3	0	0	1	0	3	0	0	0		
June	11	1	7	0	0	1	0	2	0	0	0		
July	12	0	10	0	0	0	1	0	1	0	0		
August	7	0	5	0	0	0	0	2	0	0	0		
September	8	0	5	0	0	1	2	0	0	0	0		
October	9	0	6	0	0	0	0	0	0	0	3		
November	22	0	16	0	0	1	2	1	0	2	0		
December	9	1	6	0	0	1	0	1	0	0	0		
January	6	0	3	2	1	0	0	0	0	0	0		
February	10	0	5	0	0	0	0	1	1	0	0	2	1
March	3	1	2	0	0	0	0	0	0	0	0	0	0
Totals	111	4	71	3	1	6	6	10	2	2	3	2	1

Pensions Complaints Analysis 2018/19

Month	Number of new cases	Compliment	Delay	Correspondence not received /wrong address	Charges /fees	Non-receipt of pension /late payment	ABS error	Incorrect figures /information	Unhappy with regs	Abatement	User error/HOL or website	Member expectations not met	Dispute over amount
April	9		4	1		1	1	1			1		
May	15	3	8	1		1					1	1	
June													
July													
August													
September													
October													
November													
December													
January													
February													
March													
Totals	24	3	12	2	0	2	1	1	0	0	2	1	0

Employer Customer Satisfaction Survey – Results

An audience of 384 employer contacts were contacted. 60 responded.

Question and Themes	Suggested Actions
<p>Which meeting did you attend? and how would you rate them?</p> <p>59 responded</p> <p>Responses ranged from not invited/get very little communications to attend every meeting which are useful.</p> <p>There were no real themes that came out of this question.</p>	<p>N/A</p>
<p>Thinking about Format, frequency, presenters and content, how could these be improved?</p> <p>16 responded</p> <ul style="list-style-type: none"> • Issues with location • Repeating over previous meetings minutes • Target your audience e.g. based on employer type • Confusion over who is who e.g. between WSCC and Capita for end of year training 	<ul style="list-style-type: none"> • Employer meetings held around the County not just at County Council buildings • Take an action log, provide update ahead of meeting and then only cover outstanding actions. • Employer meetings, where relevant, are now separated into employer type e.g. District/Boroughs, Academies, Admission Bodies and Parish/Town Councils. • This year’s training was presented by one person, who referred, where relevant, to the appropriate parties.
<p>Are there any Topics you would like covered?</p> <p>15 responded</p> <p>The main theme was over employers asking for additional training for general aspects of the scheme.</p>	<p>Procedure manual details process notes to help employers navigate their way through a process.</p> <p>If employers need additional training this can be accommodated where necessary.</p>

<p>How do you normally contact the Pensions team?</p> <p>59 responded</p> <p>Email was the main contact route</p>	<p>Employers have a dedicated email address to the Pensions Team</p>
<p>How satisfied were you with:</p> <p>59 responded</p> <p>Politeness</p> <p>94.92% responded to say they were satisfied, very satisfied or extremely satisfied.</p> <p>5.08% responded N/A</p> <p>Knowledge</p> <p>81.03% responded to say they were satisfied, very satisfied or extremely satisfied.</p> <p>13.79% responded to say they were dissatisfied</p> <p>5.17% responded N/A</p> <p>Time taken to resolve queries</p> <p>61.4% responded to say they were satisfied, very satisfied or extremely satisfied.</p> <p>35.09% responded to say they were either dissatisfied or very dissatisfied.</p>	<p>It was identified following discussions at the employer meetings that as there were a number of process streamed happening at the same time, duplicate requests were being made. An action was taken by the Pensions Team, to ensure that these processes are more joined up to ensure duplicate requests are not made.</p> <p>Quick win enquiries within the employer mailbox are usually responded to within 5 working days.</p> <p>Other enquiries which may require a detailed response can take up to 10 working days.</p>

<p>3.51% responded N/A</p> <p>Of the comments provided the key themes are that:</p> <ul style="list-style-type: none"> • Paperwork is provided and not actioned, or duplicate paperwork is requested; • Queries take a long time to be answered and the employer then has to chase; 	
<p>As an employer, do you use the Pension Fund’s website?</p> <p>59 responded</p> <p>71.19% said they used it</p> <p>28.81% said they didn’t</p>	<p>Employers to use the website and employer procedure manual</p>
<p>If you use the website, how satisfied are you with the layout:</p> <p>41 responded</p> <p>Layout</p> <p>92.68% responded to say they were satisfied, very satisfied or extremely satisfied.</p> <p>4.88% responded to say they were dissatisfied</p> <p>2.44% responded N/A</p>	<p>The website is reviewed annually, subject to the news pages which are reviewed monthly.</p> <p>Any feedback received is incorporated in the content review.</p>

Content

90.25% responded to say they were satisfied, very satisfied or extremely satisfied.

7.32% responded to say they were dissatisfied

2.44% responded N/A

Relevance

95.13% responded to say they were satisfied, very satisfied or extremely satisfied.

2.44% responded to say they were dissatisfied

2.44% responded N/A

Quality

95.13% responded to say they were satisfied, very satisfied or extremely satisfied.

2.44% responded to say they were dissatisfied

2.44% responded N/A

Of the two comments received these related to navigating the employer procedure manual.

Do you receive from the Pensions Team?

58 responded

94.83% responded yes

If you do receive communications from the Pensions team, how satisfied are you with the:

55 responded

Layout

98.19% responded to say they were satisfied, very satisfied or extremely satisfied.

1.82% responded to say they were dissatisfied

Content

94.55% responded to say they were satisfied, very satisfied or extremely satisfied.

5.45% responded to say they were dissatisfied

Frequency

92.73% responded to say they were satisfied, very satisfied or extremely satisfied.

3.64% responded to say they were dissatisfied

1.82% responded N/A

Employer communications has been added as an agenda item to the Employer meetings held throughout the year. This is to ensure the Pensions Team can monitor employer's requirements, and any feedback that they wish to provide.

Timeliness

83.64% responded to say they were satisfied, very satisfied or extremely satisfied.

9.09% responded to say they were dissatisfied

5.45% responded N/A

Of the comments provided the main theme was about specifying who the information related to and what action is required.

Pension Advisory Board**18 July 2018****ACCESS Work Update****Report by Director of Finance, Performance and Procurement****Summary**

This report provides a summary of the on-going work on the asset pooling work, via the ACCESS group of authorities of which West Sussex is a member.

Recommendation

That the Pension Advisory Board notes the progress

Background and Context

1. The summer 2015 budget included the Government's intention to invite Administering Authorities to make proposals for pooling Local Government Pension Scheme (LGPS) investment assets. This was followed in the autumn by criteria from the Ministering of Housing and Local Government for pooling investments. The criteria focused on four elements:
 - Scale – it is the Government's desire that pools of assets are created with at least £25bn of assets per pool.
 - Strong Governance – authorities are charged with defining the mechanisms by which they can hold the pool to account.
 - Reduced costs – including estimated savings over the next 15 years.
 - Improved capacity to invest in infrastructure through pooling.
2. Subsequently the Government published revised LGPS Management and Investment of Funds Regulations that came into force on 1 November 2016. The Regulations include the power for the Secretary of State to direct a fund to change its investment strategy or direct that a fund's investment function is undertaken by another organisation if the Secretary of State determines that a fund is failing to act in accordance with guidance issued, including the guidance to pool investments according to the criteria above.
3. The Government's expectation was for the asset pools to be formed in order for liquid investment assets to begin being transferred from individual LGPS Funds from 1 April 2018.
4. In response, West Sussex joined with ten other Pension Fund Administering Authorities to form the ACCESS group. ACCESS Authorities collectively have

assets of £43.2b (£31.8b in March 2016) which exceeds the Government's criteria and makes it one of the largest LGPS asset pools (see Appendix 1).

Progress

5. Since the Panel agreed to join the ACCESS group in 2016:

- A Joint Governance Committee comprising the Chairman from each of the 11 LGPS Pension Committees have met in a shadow form until the full Inter Authority Agreement between the ACCESS funds was approved by each of the County Council Committees in spring / summer 2017 (approval by West Sussex was 24 March 2017). The inaugural Joint Committee meeting of the ACCESS Pool was held on 31 July 2017 at which Cllr Reid (Suffolk) and Cllr Stogdon (East Sussex) were appointed Chairman and Vice-Chairman respectively. West Sussex County Council is represented by Cllr Hunt, as Chairman to the West Sussex Pensions Panel.
- The ACCESS authorities completed a joint procurement exercise to appoint a single provider to manage £10.5bn passive investments for the ACCESS Funds. The contract was awarded to UBS Asset Management (UK) Limited in October 2017, resulting in savings of £5m, and all assets were transferred within the financial year. These will be held under pool governance, but not within the formal pool structure. West Sussex has no passive investments.
- A full OJEU compliant procurement was undertaken for an Operator, whose responsibilities include selecting and contracting with managers on behalf of the authorities participating in the pool and who will be Authorised by the FCA to run the pool. Link Fund Solutions were appointed and their Agreement was effective from February 2018.

6. West Sussex County Council has actively participated in the establishment and onboarding arrangements (i.e. the transferring of assets into the pool) relating to the ACCESS group.

7. Work is focused currently on establishing *The ACCESS Pool Authorised Contractual Scheme* and the initial sub-funds (which requires an application to the Financial Conduct Authority accompanied by various Scheme documents) to allow initial investments to be made into the pool.

8. Work is ongoing in respect of agreeing the practical implications of the governance arrangements set out within the Inter Authority Agreement and elsewhere, and to ensure that the governance arrangements remain fit for purpose.

WSCC Arrangements

9. Governance Committee have recently approved a recommendation to Full Council that the Terms of Reference for the Pensions Panel are updated to reflect its role in considering recommendations from the ACCESS Joint Committee.

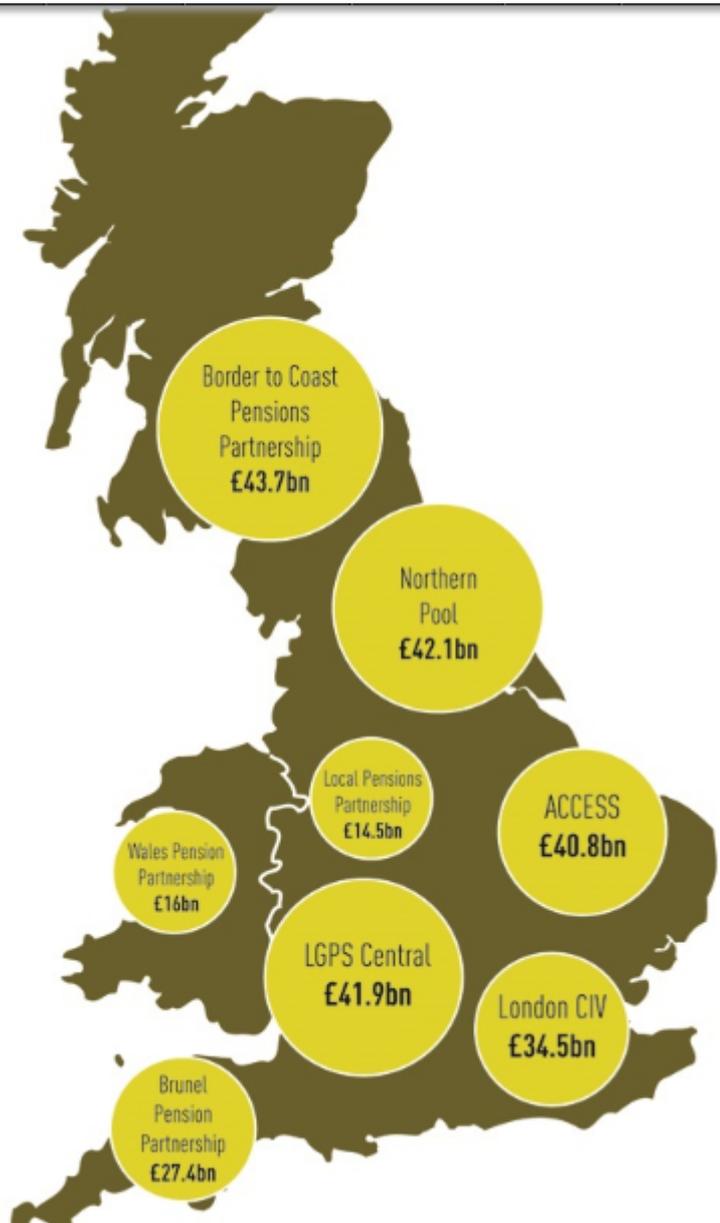
10. The Pensions Panel are also mindful of the changes to the investment arrangements in consideration of the Pension Fund's investment strategy. The ACCESS's pool's stated objectives to "Enable participating authorities to execute their fiduciary responsibilities... as economically as possible" and "Provide a range of asset types necessary to enable those participating authorities to execute their locally decided investment strategies as far as possible" is important here.

Appendices

Appendix 1 - LGPS Asset Pools

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LGPS Asset Pools



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Pension Advisory Board

18 July 2018

Training

Report by Director of Finance, Performance

Summary

The Pensions Regulator Code of Practice 14 states that the legal requirements for knowledge and understanding of Board members is –

- A member of the pension board of a public service pension scheme must be conversant with:
 - the rules of the scheme, and
 - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
- A member of a pension board must have knowledge and understanding of:
 - the law relating to pensions, and
 - any other matters which are prescribed in regulations.
- The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board

Recommendation

- (1) That the Board note the knowledge and understanding requirements and the ongoing work of officers.

1. Background

- 1.1 The Pension Advisory Board was created as a result of the Public Services Pension Act 2013 and commenced its role from 1 April 2015. Its role is essentially to perform a broad scrutiny role over the Pension Fund and to secure compliance with the Regulations and the Pension Regulator's requirements.
- 1.2 The Pensions Regulator issued its Code of Practice 14 setting out how it expected Pension Boards to achieve the necessary level of knowledge and understanding.
- 1.3 It is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.

2. Training Strategy and Training Needs Analysis

- 2.1 Officers are currently developing a Training Strategy that will apply to both the Pensions Panel and the Pension Advisory Board. A draft of the Strategy should be available for review at the next Board meeting.

- 2.2 Once the Training Strategy has been approved a Training Needs Analysis will be issued to Panel and Board members to inform a training plan.

3. Training undertaken since last meeting

- 3.1 Four members attended the Financial Statement training hosted by the County Council.
- 3.2 Two members attended the CIPFA Local Pension Board Annual Event.

4. Training/events available

- 4.1. The Pensions Regulator has a Public Services trustee toolkit available on its website with modules to complete. All Board members need to complete this toolkit.
- 4.2. The LGA (Local Government Association) offers a three day Fundamentals training programme which is a bespoke LGPS training course aimed at both Panel and Board members. This event is held in London on the following dates:
- 10 October 2018
 - 30 October 2018
 - 4 December 2018
- 4.3. If any Board members would like to attend the Fundamentals, please let officers know.

Katharine Eberhart
Director of Finance, Performance
and Procurement

Contact: Steve Harrison 03302223391

Appendices

Appendix 1 - Courses/events attended by Board members & tPR toolkit module progress

Background Papers

None

Training Sessions

	22 June 2015	22 June 2015	23 October 2015	23 October 2015	16 March 2016	6 December 2016	27 February 2017	2 March 2017
	Training from Baillie Gifford on Investment Managers work	Training from Steve Harrison on background of the West Sussex LGPS	Training from Peter Scales on Pension Board Governance	Training from Clare Chambers on the work of Capita	Training from EY and from Internal Audit	Training from Peter Scales on the Investment Regulations	CIPFA LGPS Spring Seminar for LPBs	Training from Richard Cohen on the UK taxation system and the wider pension landscape.
Peter Scales	✓	✓	✓	✓	✓	✓	✓	✓
Richard Cohen	✓	✓	✓	✓	✓			✓
Kim Martin						✓		✓
Christopher Scanes	✓	✓	✓	✓	✓	✓		✓
Tim Stretton								

	21 June 2017	28 June 2017	29 & 30 June 2017	5 July 2017	19 September 2017	26 February 2018	13 June 2018
	Pensions Panel Induction Training	CIPFA LPBs Two Years On	LGA LGPS Trustees Conference	LGPS Pooling Update	Pension and Lifetime Savings Conference	CIPFA LGPS Spring Seminar for LPBs	Financial Statement Training
Peter Scales		✓		✓	✓	✓	✓
Richard Cohen	✓			✓	✓		✓
Kim Martin	✓						✓
Christopher Scanes			✓	✓			✓
Tim Stretton						✓	

Pension Regulator Toolkit - Module Progress

	Conflicts of Interest	Managing risk and internal controls	Maintaining accurate member data	Maintaining member contributions	Providing information to members and others	Resolving internal disputes	Reporting breaches of the law
Peter Scales	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Richard Cohen	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Kim Martin							
Christopher Scanes	Passed	Passed	Passed	Passed	Passed	Passed	Passed
Tim Stretton	Passed	Passed	Passed	Passed	Passed	Passed	Passed

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