

Unconfirmed minutes – subject to approval/amendment
at the next meeting of the Pension Advisory Board

Pension Advisory Board

18 July 2018 – At a meeting of the Board held at 9.30 am at County Hall,
Chichester, PO19 1RQ.

Present: Peter Scales (Independent Chairman)

Richard Cohen (Employer representative) and Chris Scanes (Scheme member
representative)

Apologies were received from Kim Martin (Employer representative) and
Tim Stretton (Scheme member representative)

Officers: Steve Harrison (Financial Planning Manager), Tara Atkins (Principal
Pensions Consultant - Administration & Employers), Vickie Hampshire (Finance
Manager - Pension Fund Governance) and Adam Chisnall (Democratic Services
Officer).

Part I

54. Apologies

54.1 In noting the apologies that had been received, the Board were
informed of the personal circumstances for Kim Martin's absence.

55. Declarations of Interests and Conflicts

55.1 None declared.

55.2 Richard Cohen informed the Board that due to a recent merger his
role at Worthing High School had changed and he was now the Vice Chair
of Trustees at South Downs Education Trust. – *Adam Chisnall resolved to
ensure this change was reflected in the necessary areas.*

56. Part I Minutes of the last meeting

56.1 Resolved – That the minutes of the meeting of the Board held on 20
April 2018 be agreed as a correct record.

57. Progress Report

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

57.2 Adam Chisnall introduced the report and updated the progress
being made with the changes to the Pension Advisory Board Membership.
The Governance Committee had endorsed the changes for
recommendation at the County Council meeting on 20 July 2018.

57.3 The Chairman requested that survey results should be circulated as
soon as they were available. Reports on the surveys should then follow at
the next available meeting.

57.4 Resolved – That the report is noted.

58. Pensions Panel Minutes - Part I

58.1 The Board considered the confirmed part I minutes from the 2 February 2018 Pensions Panel meeting; and the Agenda from the 30 April 2018 Pensions Panel meeting (copy appended to the signed minutes).

58.2 The Board noted that the Agenda for the 25 July Pensions Panel had recently been published.

58.3 Resolved – That the minutes and agenda be noted.

59. Business Planning and Performance

59.1 The Chairman introduced the item and explained that this followed the discussion at the previous Board meeting on the Review of West Sussex Pension Advisory Board.

59.2 The Board discussed the new frequency of meetings and how soon they should follow Pensions Panel meetings. The Board thought that 20 days would be a good time for a Board meeting to follow a Panel meeting and that this could be tested with the next meeting on 21 November following the Panel meeting on 1 November.

59.3 The Chairman informed the Board that he would be working with Steve Harrison to produce a business plan consistent with the Panel's and it was agreed that this would have a 2 year rolling programme. It was also agreed that where relevant, the Board should receive the same reports as the Panel to avoid undue duplication.

59.4 The Chairman informed the Board that the Scheme Advisory Board had 3 major projects in their business plan; Separation of pension administration responsibility; Data cleansing guidance; Regulation review to reduce detailed regulations by incorporating them into guidance.

59.5 Steve Harrison commented on these projects and explained that various degrees of separation had been identified for pension administration. Steve Harrison had attended a conference on the importance of data cleansing where it was discussed that Oxfordshire County Council had been fined for poor data. The Pensions Regulator wanted all data, despite its age, to be up to date and correct.

59.6 The Chairman informed the board that he was looking to set up 1:1 performance reviews with the Board members to be held over the autumn period.

59.7 The Board queried the recruitment plans for the new Board members. – Steve Harrison explained that the process could begin following County Council approval. It was likely that the process would begin in September. It was proposed that the AGM and employer/member newsletters could be used to advertise the roles. The recruitment process would look to seek membership from desirable areas in order to assist with the diversity of the Board. It was hoped that the

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new members could be appointed in time for the next meeting. Steve Harrison resolved to look into the possibility of involving current Board members in the recruitment process.

60. Regulations and Guidance update

60.1 The Chairman introduced the item and reported on the recent Local Government Association bulletins. The Chairman resolved to send these to the Board members with a brief summary, and ask officers to provide a report on any relevant items at a future meeting.

60.2 The Chairman also reported that CIPFA had published guidance for local pension boards. Tara Atkins highlighted that the guidance was referred to as a background paper within the Administration Procedures and Performance report and agreed to ensure that a copy was made available to Board Members.

61. Review of Pension Fund Policy Documents

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

61.2 Steve Harrison introduced the report and highlighted the list of policy documents to be reviewed individually on a regular basis at future meetings. It was proposed that if any were a priority they could be highlighted for early review. The Chairman commented that it was important for the Board to be aware of the policies and what they generally covered, and to check compliance. It was requested that the table included an indication of where documents were published or could be obtained and a column for dates for when each policy had been reviewed by the Board.

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

- Raised concerns on the past review date for the Employers Guide. – *Tara Atkins explained that this review was stalled following a change in administration regulations. Once the policy had been updated it would be passed to Eversheds and Hymans Robertson for review.*
- Queried the absence of the 'Myners Compliance Statement. – *Tara Atkins reported that this had been removed following a change in the investment regulations. Steve Harrison resolved to check that this was no longer a statutory requirement.*
- Asked why the administration strategy statement was not in the 2017-18 report. – *Tara Atkins reported that this was linked to the change in pension administration. Steve Harrison confirmed that this would be reinstated after the administration handover was completed and the strategy had been revised. The Board would look to review the strategy statement when it was complete.*
- Requested that the Board be notified if policies are removed from publication for any reason.
- Discussed which policies should be highlighted for the next Board meeting. It was proposed to focus on 'Governance Policy and

Compliance Statement' and 'Internal Dispute Resolution Procedure (IDRP)'.

61.4 The Board considered the Administering Authority Discretions policy.

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

- Queried why the document did not refer to the Pensions Panel. – *Tara Atkins explained that the Pensions Panel report would have outlined how the scheme of delegation would handle discretions.*
- Sought clarity on the inconsistency in officer titles and roles in the document. – *Tara Atkins explained that this was an outstanding action to update the document. It was clarified that 'Chief Finance Officer' did not refer to a specific role.*
- Asked who was covered by the abatement policy. – *Tara Atkins confirmed that this should be updated to cover all bodies that were entitled to admission.*
- Queried the wording used for AVC/SCAVC monies in the event of death, and if the wording should be changed to 'is likely to be made' to allow the authority to exercise the necessary discretion due to HMRC regulations with regard to estates. – *Tara Atkins reported that this was part of the discretion policy and used similar wording for other discretionary payments. Steve Harrison resolved to look into this.*
- Sought clarity on processes in place for those incapable of managing their affairs, and if the payment should reference the necessary bodies. – *Tara Atkins confirmed that normal practice would follow the power of attorney and that officers would always comply with the legal process. Tara Atkins resolved to review the current wording.*

61.6 The Board considered the Privacy Notice policy and queried the data that came to Pensions Panel and the Pension Advisory Board. – *Tara Atkins confirmed that this data would be anonymised. Delegations would be made to officers for individual cases.*

61.7 Resolved - That the Board notes the register of policy documents and compliance of the two documents, and asks officers to consider the feedback received.

62. Administration Procedures and Performance

62.1 The Board received a report by the Director of Finance (copy appended to the signed minutes).

62.2 Steve Harrison introduced the report and explained that work was progressing with the move of pension administration to Hampshire County Council. Officers were currently looking into the task of migrating data.

62.3 The Board requested additional detail on the current status of the contract migration. – *Steve Harrison explained that this would contain*

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exempt information and agreed to provide an update within the Part II section of the agenda.

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

- Queried pension member engagement for amendment regulations. – *Tara Atkins explained that the intention would be to utilise the newsletters to explain how members would be impacted. The information would include transfer dates and contact information.*
- Queried the caseload performance information and how regularly the top ten cases were reported to the Pensions Panel. – *Steve Harrison explained that KPIs drove the contract and so key issues were reported to the Pensions Panel. Non KPI issues were not regularly reported. Tara Atkins explained that specific issues were covered within the Annual Report. New KPIs could be considered when Hampshire County Council took over the administration and it was suggested that the proposed list of new KPIs could come to a Board meeting.*
- Sought clarity on the low performance during April and May and if this was linked to the contract decision. – *Steve Harrison gave assurance that Capita would have to ensure compliance while they provided the administration service. Tara Atkins explained that April and May had been linked to an unanticipated demand of work linked to Police transfers.*
- Discussed the complaints/compliments analysis and asked how it correlated with KPIs. – *Tara Atkins explained that the figures related to members' opinions on service and so each case was individually considered to see if the complaints were justifiable. If consistent issues arose they were discussed with Capita to look at processes.*
- Noted the comments in the satisfaction survey and speculated that the low response rate could be interpreted as people being generally happy with the service and having nothing to raise on the survey.

62.5 Resolved – That the report is noted.

63. ACCESS Work Update

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

63.2 Steve Harrison introduced the report and explained that since 1 April 2018 the ACCESS group had been running as a legal entity. Link had been appointed as the investment vehicle for the group. Essex were leading on the work to determine the investment buckets which would consider the investment priorities from each fund. It was confirmed that Link would appoint fund managers. Northern Trust would monitor Link to ensure it was compliant with regard to Authorised Contractual Scheme and Depository activities.

63.3 Vickie Hampshire explained that the ACCESS group had 9 principles and that no major activities would happen based on the wishes of one fund. Phil Triggs (Tri-Borough Director of Treasury and Pensions) had

written a document outlining the different pooling structures that had been created. Vickie Hampshire resolved to send this, and the structure of the ACCESS pool to Board members.

63.4 It was explained that the role of the Pensions Panel would move to a strategic role to consider the specific needs of each investment.

63.5 The Board discussed the request for union representation on joint committees. It was reported that different Boards had different opinions on this.

63.6 The Board proposed having attendance from a pooling representative at a Board meeting. – *Vickie Hampshire felt it would not be appropriate for another ACCESS fund to attend a Board meeting, but proposed that someone from Hymans Robertson could attend. The Board agreed to consider this further down the line.*

63.7 The Board requested that an update on pooling came to every Board meeting. – *Vickie Hampshire explained that quarterly reports were submitted to Teresa Clay, Head of local government pensions at the ministry of housing (MHCLG) and subsequently uploaded to the ACCESS webpage. Vickie Hampshire resolved to share a link to the webpage with Board members.*

63.8 Resolved – That the Board welcomes the update.

64. Training

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

64.2 Steve Harrison introduced the report and outlined the work that was in progress to align the training needs of the Pension Advisory Board and the Pensions Panel members. The high expectations that Pensions Regulator had on training were highlighted to the Board members.

64.3 The Board discussed training opportunities that had been circulated by officers and noted that the Fundamentals training was good for focus on administration.

64.4 The Board proposed training for the new administration with a focus on KPIs and benchmarks. - *Steve Harrison reported that Hampshire County Council would be attending meetings regularly when they were in post, and that they could deliver training on this.*

64.5 Steve Harrison proposed attendance from Hymans Robertson to discuss valuation.

64.6 The Board proposed a combined training session on the Pensions Regulator toolkit when the new Board members were appointed.

64.7 The Board proposed attendance from the Pensions Regulator at a future meeting.

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64.8 The Board were informed that the meeting would be followed by a training session on the risk framework.

64.9 Resolved – that the Board note the knowledge and understanding requirements, and the ongoing work of officers.

65. Date of Next Meeting

65.1 The Board noted that its next scheduled meeting would take place on Wednesday 21 November 2018 at 9.30 a.m. at County hall, Chichester.

66. Exclusion of Press and Public

66.1 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.

67. Pension Administration Update

The Board received an update on the current situation with pension administration.

The Board welcomed the update.

68. Part II Minutes of the last meeting

The Board agreed the Part II minutes of the 20 April 2018 meeting.

69. Pensions Panel Minutes – Part II

The Board noted the contents of Part II minutes from the 2 February Pensions Panel meeting

The meeting ended at 12.18 pm

Chairman