

Pension Advisory Board

16 March 2016 – At a meeting of the Board held at 9.30 am. at County Hall, Chichester.

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

Officers: Rachel Wood (Pension Fund Investment Strategist), Clare Chambers (Pensions Operations Manager), Terry Langworthy (HR Adviser (Pensions)) and Adam Chisnall (Acting Democratic Services Officer)

Part I

Declarations of Interest

64. Mr Baker declared a personal interest as a Director of Finance for Sussex Police which has connections with CAPITA.

Minutes

65. Resolved – that the minutes of the meeting of the Board held on 11 November 2015 be agreed as a correct record.

Progress Report

66. The Board received and noted a progress report on matters raised at the previous meeting (copy appended to the signed minutes).

67. The Board welcomed the report and agreed no changes were required to the format.

68. Resolved – That the Progress Report be noted.

Business Planning

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

70. The Chairman introduced the report and discussed the frequency of scheduled meetings. Four meetings had been scheduled for 2016 and the effectiveness of this would be monitored with a potential plan to reduce the level to three meetings per year.

71. The Chairman informed members that Investment Policy items had been added to the Schedule of Business in order for the Board to consider the Pension Fund Pooling implementation.

72. The Board discussed how they would assess the value that the Board has added to the Pension Panel process and raised concerns that the Board's work could be process driven. Targets could be used to introduce tangible targets that the Board could monitor. The Board felt there could be improved overlap between the

Board and the Pension Panel, and the new Panel Chairman would be invited to a future Board meeting. The Board felt that careful monitoring of the pooling arrangements would be required.

73. The Board discussed the level of communications to fund members and if it was appropriate. Clare Chambers informed the Board that a new website was being created which would aim to improve communications and that a launch campaign was scheduled. It proposed that queries and survey results could be monitored in order to ensure the website provided the necessary information. The use of social media could be considered. The County Council's Gov Delivery system could also be utilised to highlight the publication of reports.

74. Rachel Wood explained that work was continuing to improve electronic communications. There were over 180 employers in the fund and email addresses were not held for all of them and so work was ongoing to investigate this.

75. Resolved – that

- (1) The Board agree the draft work programme for 2016/17 and the need for appropriate interaction with the Pension Panel (Appendix A).
- (2) The Board agree the draft budget for the year 2016/17 (Appendix B).
- (3) The Board agree the need for advisors as appropriate in relation to the work being undertaken.
- (4) The Board agree the business for future meetings (Appendix C).
- (5) The Board agrees that Annual Reports to the Pensions Panel and Governance is appropriate unless specific actions arise.

Pension Panel Minutes – Part I

76. The Board considered the confirmed part I minutes from the November, December and January Pension Panel meetings; and the Agenda from the February Pension Panel meeting (copy appended to the signed minutes).

77. The Board commented on minute 1375 and felt that it should be involved in the notification of breaches. Rachel Wood agreed to ensure that the Board would be sent a copy when the HR Consultant contacted the Executive Director Corporate Resources and Services.

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

Administration procedures and performance

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

80. The Board queried the deadlines for Club Vita and the risk linked to the delayed submission of data to Hymans. Terry Langworthy confirmed that a

meeting had been held with Capita to look into the issues and confirmed that the data would be submitted in May and would contain the relevant information. Clare Chambers explained that the delay was due to necessary data quality work to ensure the new system held the correct information that would be compatible with data extraction processes.

81. The Board raised concerns on the membership reconciliation statistics and the level of inaccuracies in the data. Clare Chambers confirmed that work had been done with employers to check the data and synchronise information. The inaccuracies had been reduced and regular data work would be scheduled going forwards to ensure accurate information. Training had also been scheduled with employers to ensure they knew how to process Pension administration documents.

82. The Board commented that the report did not show information relating to membership movement details. Clare Chambers agreed that this information could be added to future reports and snapshots of data could be circulated to the Board if required. Details on opt outs of auto-enrolment could also be included in future reports.

83. Resolved – that the Board notes the report and requests that future reports contain details on membership movements and opt outs of auto enrolment.

Pension Fund Member Communications

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

85. Clare Chambers introduced the report and summarised the newsletter communications that had been issued to members during 2015/16.

86. The Board discussed the newsletters and if the draft content should be considered by the Board before circulation. The Board agreed this would be useful but raised concern on their level of input as they did not want to cause delays to the process. It was agreed that, going forwards, Mr Scanes would see drafts of newsletters and would have a set time to provide any comments back to the service.

87. The Board discussed the Annual Allowance Statement and queried if this could be included within the Annual Benefits Statement. Clare Chambers explained that there had been no time to include this information in the Annual Benefits Statement this year as it was a complex calculation. It could be considered for future statements and future Board reports.

88. The Board queried where the output of the Communications Working Group went. Clare Chambers confirmed that the results went to officers and were also published on the national Local Government Pension Scheme (LGPS) website.

89. Resolved – that the Mr Scanes be sent draft newsletter communications and given a set time to provide comments before they are sent out.

Training

90. The Board received a report by the Chairman of the Pension Advisory Board (copy appended to the signed minutes).
91. The Chairman introduced the report which proposed areas of training that the Board may wish to consider.
92. The Board were informed by Rachel Wood that Terry Langworthy was looking into LGPS discretions and could circulate details to the Board. Training on LGPS benefits could also be combined with this.
93. Mr Cohen agreed to provide training at the next meeting on the Interaction with the UK and EU taxation system.
94. Rachel Wood proposed that Steve Law from Hymans could be invited to deliver training on the Valuation process and funding strategy. It could be possible to combine the training with the work Hymans was doing with East Sussex. Rachel Wood agreed to explore this.
95. Rachel Wood proposed that training on procurement after July when the pooling arrangements were in place would be appropriate
96. The Board felt that training on AVCs would not be required, but agreed that they should receive any general papers that were created.
97. Resolved – that the discussed training items should be scheduled.

Pensions Regulator Toolkit

98. The Board discussed the Pension Regulator Toolkit and their progress through the modules.
99. The Board agreed the training was useful and effective at improving knowledge in key areas.
100. The Board noted that it may be possible for the Pension Regulator to monitor the Board Member's progress with the training and it was therefore important to complete the modules.
101. Resolved – that the Board members continue to work through the toolkit.

Date of Next Meeting

102. The Board noted that its next scheduled meeting would take place on 25 May 2016 at 9.30 a.m. at County hall, Chichester.

Exclusion of Press and Public

103. Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

The meeting ended at 12.36 pm.

Chairman

Summary of Matters discussed in the absence of the Press and Public

Pensions Panel Minutes – Part II

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

The Board discussed the contents of Pensions Panel minutes and made particular reference to the progress on pooling arrangements. The Board requested to be kept up to date on pooling progress.

Update on Consultations

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

The Board considered the report which gave an update on the responses to the consultations from the Government relating to pooling arrangements and noted its content.

Resources for the Pension Fund

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

The Board considered a report that had been to the February Pensions Panel meeting relating to resources for the Pension Fund and noted its content.

Unison Letter

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

The Board considered a report from the Chairman of the Pension Advisory Board relating to a letter from Unison on the proposed pooling arrangements. The Panel noted the report.