

Pension Advisory Board

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

Present: Peter Scales (Independent Chairman), Richard Cohen (Employer representative), Chris Scanes* (Scheme member representative) and Andy Elder (Scheme member representative).

Apologies: Kim Martin (Employer representative)

Officers: Vickie Hampshire (Finance Manager - Pension Fund Governance), Tracey Jeffryes (Principal Finance Officer - Pension Fund Governance), Clare Chambers (Pensions Operations Manager) and Adam Chisnall (Democratic Services Officer)

*Mr Scanes arrived at 9.40 a.m.

Part I

Declarations of Interest

1. The Chairman explained that the Pension Regulator recommended that members should also express potential conflicts of interest. Appropriate wording would be added to future reports.
2. None declared.

Part I Minutes of the previous meeting

3. Resolved – that the minutes of the meeting of the Board held on 2 March 2017 be agreed as a correct record.

Membership

4. The Board noted its membership.

Terms of Reference

5. The Board noted its terms of reference.

Progress Report

6. The Board considered the progress report on matters arising from previous meetings (copy appended to the signed minutes).
7. Adam Chisnall introduced the report and summarised the actions that had been completed.
8. Vickie Hampshire explained that she was still waiting for the amendment regulations. The new finance team structure was explained and would be sent to the Members after the meeting.

9. Vickie Hampshire confirmed that there was no minimum cap on contributions and that surplus payments would be kept by the fund. Employers approaching cessation would be in discussion with the fund to prepare for their exit to avoid a surplus where possible.

10. The Board discussed the new email address for members to contact the Pension Advisory Board (lgpspab@westsussex.gov.uk) and how it should be publicised. The Board agreed that it should be included in the member newsletter and the employer monthly bulletin.

11. Vickie Hampshire reported that the Pensions Panel were due to do work on the Investment Strategy this year.

12. Resolved – That the Board noted the report.

Pensions Panel Minutes – Part I

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

14. The Board requested to see the Business Plan for the Pensions Panel. – *Vickie Hampshire agreed to send a link to the Board members.*

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

Regulations and Guidance update

16. The Chairman informed the Board that he had recently attended a CIPFA seminar on local pension boards where several issues had been discussed.

17. Fund pooling impact for the Board would be an area to consider when plans were more developed.

18. The Scheme Advisory Board had published a template for asset managers for Investment Cost Transparency. The Chairman asked Vickie Hampshire to report on this when appropriate. Vickie Hampshire confirmed that Baillie Gifford had already signed up and that UBS were currently in discussion.

19. Investment Regulations had been discussed and how a recent court ruling on divestment rules being 'unlawful'. Vickie Hampshire confirmed that a petition on divesting from fossil fuels had been received by the Pensions Panel and would be considered at the November Pensions Panel meeting.

20. Vickie Hampshire reported on MIFID II and information recently received indicated that the approach had been softened which would allow easier implementation. Pensions Panel members and officers to be trained.

21. General Data Protection Regulation requirements were changing for implementation by May 2018. The changes were likely to have a big impact. Vickie Hampshire confirmed that she was on a working group that were looking into the impact of the changes. Clare Chambers also confirmed that Capita were setting

up their own group to consider the impact. An update would be provided at the November Board meeting.

Administration procedures and performance

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

23. Clare Chambers introduced the report and confirmed that the previous request for additional KPI information have been included.

24. Clare Chambers reported that a plan was in place for newsletters which was working well. The active member newsletter was being finalised and would be sent to the Board members for comment.

25. Clare Chambers confirmed that the concerns of the Board regarding recent website changes had been passed on to the relevant team. There were now regular meetings with the website team to review the content and make it easier to understand.

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

- Queried the work on the Annual Benefit Statements towards meeting the publication deadline. – *Clare Chambers reported that a project manager had been appointed to oversee the process. Fortnightly calls with fund representatives were taking place to monitor the work. All data had been received from employers, which was now being cleansed. Officers were confident that the deadline would be met.*
- Sought clarity on the late payments reported. – *Vickie Hampshire explained that one college had sent in 3 late payments and had therefore been written to to enforce the legal position of data submission.*
- Queried the level of use of Hartlink Exchange. – *Clare Chambers reported that the use of Hartlink Exchange (Hex) had been promoted and that employers had been using it for their data submission. The Hartlink Online Employer Portal had also been used by employers to help them solve queries for their own members.*
- Asked how the work to reduce the backlog was progressing. – *Clare Chambers informed the Board that there were ongoing talks regarding resources, but confirmed that work was continuing to improve the backlog and that the member service was improving. Backlog work and business as usual work were monitored separately.*
- Queried the benefit payments KPI. – *Clare Chambers explained that members waiting on payments were prioritised regardless of KPI requirements. It was more important for the members to ensure that payroll deadlines were met. Vickie Hampshire explained that a request may miss the 10 working day measure, but get picked up in the next available payroll; so the request would miss the KPI, but hit expectations. The Board felt that the KPI should be measured against the payroll deadline.*
- Requested to see a list of all KPI measures. – *Clare Chambers agreed to send the Board the KPIs for May.*

27. The Chairman spoke through his draft response to the Scheme Advisory Board's survey of Local Pension Boards. The Board felt that the work to improve

newsletters should be reflected in the survey response; but agreed with the responses on the survey. The Chairman would bring the results from the survey to a future meeting.

28. Resolved – That the Board notes the report and agrees the Chairman's response to the Local Pension Board Survey.

Training

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

30. Adam Chisnall introduced the report and highlighted the progress of module completion for the pension regulator toolkit. The Chairman encouraged members to complete the modules as part of their required training.

31. Richard Cohen gave an update on the Pensions Panel induction session that Kim Martin and he had attended. Mr Cohen noted that there was a high level of new members on the Pensions Panel following the election. Vickie Hampshire gave reassurance that it would be an ongoing process to ensure training compliance for the Pensions Panel members. Vickie Hampshire resolved to send the Board members copies of Pensions Panel training slides.

32. The Board queried if their role would change when pooling begins. – *Vickie Hampshire felt that the role of the Board would not change as they would still be monitoring the work of the Pensions Panel.*

33. The Board discussed training opportunities and felt that audit training would be useful.

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

Date of Next Meeting

35. The Board noted that its next scheduled meeting would take place on Wednesday 29 November 2017 at 9.30 a.m. at County hall, Chichester.

Exclusion of Press and Public

36. 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 11.02 a.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public on 5 July 2017

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 2 March 2017 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 January Pensions Panel meeting.