



PENSION BOARD

WEDNESDAY, 6 SEPTEMBER 2023

10.00 AM COUNTY HALL, LEWES

MEMBERSHIP - Ray Martin (Chair)
Councillor Bharti Gajjar, Tim Oliver, Zoe O'Sullivan, Neil Simpson,
Councillor Andrew Wilson and Vacancy (Employer Representative)

AGENDA

1. Minutes (*Pages 3 - 16*)
2. Apologies for absence
3. Disclosure of interests
4. Urgent items
Notification of any items which the Chair considers urgent and proposes to take at the appropriate part of the agenda.
5. Pension Committee Agenda (*Pages 17 - 18*)
6. Governance Report (*Pages 19 - 26*)
7. Employer Engagement and Contributions Report (*Pages 27 - 28*)
8. Communications Report (*Pages 29 - 32*)
9. Pensions Administration Report (*Pages 33 - 40*)
10. Pension Fund Risk Register (*Pages 41 - 52*)
11. Work Programme (*Pages 53 - 74*)
12. Any other non-exempt items previously notified under agenda item 4
13. Exclusion of the public and press
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
14. Pension Fund Risk Register - Exempt (*Pages 75 - 78*)
15. Pension Fund Breaches Log (*Pages 79 - 94*)
16. Employer Admissions and Cessations Report (*Pages 95 - 100*)
17. Supplier Update Report (*Pages 101 - 102*)

18. Any other exempt items previously notified under agenda item 4

PHILIP BAKER
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29 August 2023

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PENSION BOARD

MINUTES of a meeting of the Pension Board held at County Hall, Lewes on 30 May 2023.

PRESENT Councillors Ray Martin (Chair), Neil Simpson, Lynda Walker and Tim Oliver

ALSO PRESENT Ian Gutsell, Chief Finance Officer
 Sian Kunert, Head of Pensions
 Michael Burton, Pensions Manager: Governance and Compliance
 Russell Wood, Pensions Manager: Investment and Accounting
 Paul Punter, Head of Pensions Administration
 Paula Jenner, Employer Engagement Officer
 Dave Kellond, Compliance and Local Improvement Partner
 Danny Simpson, Principal Auditor
 Mariana Obetzanova, Pensions Training Coordinator
 Mya Khine, ESPF Accountant
 Belinda Trunfull, Governance and Democracy Officer
 Bekki Freeman, Solicitor, Governance Services
 Cllr Paul Redstone
 Cllr Gerard Fox
 Tim Hillman, Pensions Manager: Employer Engagement
 Julie Pelham, Pensions Service Delivery Manager
 Jennie Shuttleworth, Pensions Service Delivery Manager
 Julie Pelham, Pensions Service Delivery Manager

39. MINUTES: NOTES FROM PENSION BOARD DISCUSSION OF 8 FEBRUARY 2023

Linda Walker was nominated as Vice Chair

39.1 Danny Simpson (DS) updated that section 1.25 should read 'officers do not have access to payroll systems'.

39.2 The Board agreed the notes of the previous meeting held on 08 February 2023 as a correct record subject to the above change being made.

40. APOLOGIES FOR ABSENCE

40.1 There were no apologies for absence.

41. DISCLOSURE OF INTERESTS

41.1 There were no disclosures of interests.

42. URGENT ITEMS

43. 42.1 The Chair reported that he did not have any urgent items.

43. PENSION COMMITTEE AGENDA

43.1 The Board considered a report containing the draft agenda for the Pension Committee meeting due to be held on 16 June 2023.

43.2 The Board noted that engagement and communication items were not included as these will be updated separately; the investment report is additional and will be less detailed for this meeting; there will be updates on performance and the ACCESS Pool as well an item around implementing an investment in Index Linked Gilts following a decision by the Committee in November.

43.3 The Board also noted that the Pension Committee will meet in July for a strategy day where discussion will take place around a paper commissioned on “Merits of Divestment vs. Engagement and the Strategic Review of Asset Allocation”.

43.4 Ray Martin (RM) asked whether the recent elections have had an impact on membership of the Committee.

43.5 Sian Kunert (SK) confirmed that there was no impact.

43.6 The Board RESOLVED to note the agenda.

44. GOVERNANCE REPORT

44.1 The Board considered a report providing an update on various governance workstreams completed and changes affecting LGPS and the ESPF.

Additional Pension Contributions

44.2 Michael Burton (MB) highlighted to the Board that the policy on Additional Pension Contributions (APCs) was being updated to ensure there is clarity around the Fund’s right to refuse an application on ill health grounds.

44.3 MB added that it was necessary to assess a member’s health before they are allowed to pay APCs as should they die before retirement there is an increased dependents’ pension which could result in a large liability to the Fund which will not have been covered by the contributions made by the member.

44.4 MB further updated the Board that members will be required to fill out a form providing health status and where concerns are identified, a medical report will be requested. APC purchase will not be approved to those identified with a length of life impacting ill health condition.

Membership of the Pension Board

44.5 MB provided an update on the appointment of Tim Oliver from University of Brighton to the Board replacing Stephen Osborn. Tim joins the Board for a 4-year term as an employer representative.

44.6 MB further updated that Nicoletta Palermo's term has ended. Nicoletta's was a member representative put forward by GMB Union. This position remains vacant; however, recruitment is ongoing, and a recommendation will be made to the Governance Committee in July's meeting to make an appointment. RM commented that it would be sensible to advise the preferred candidate that they are being nominated to make sure they still wanted to take the role following the recruitment process,

44.7 Cllrs DrUITt and Illingworth have stood down following recent elections leaving two employer representative vacancies. Brighton and Hove City Council (BHCC) and the District and Boroughs have been requested to submit nominations.

44.8 RM commented that some responses received from the the recent Policy Consultation on the employer side indicated sound pension knowledge and it may be worth considering approaching those people as potential candidates.

Policy Consultations

44.9 MB highlighted to the Board that there were no major concerns arising from responses received and that the suggested wording will be taken forward to the next Pension Committee meeting on 16 June 2023.

44.10 Neil Simpson (NS) asked with regards to the Cessation methodology if it was normal practice for an acting scheme employer to act as guarantor for those bodies.

44.11 SK responded that with passthrough admission agreements its normal for the scheme employer to guarantee, however this is dependant on the covenant of the employer and bonds are still required in some situations. Recent change in the guidance from Department of Education now allows academies to act as guarantors to cover Contractors.

44.12 RM asked for a further explanation around Prudence Level as it was not clear.

44.13 SK responded that this was an area covered by the consultation and agreed further clarity is required. SK suggested that an appendix could be added at the back of the Funding Strategy Statement for further guidance to employers.

44.14 NS asked for consideration to be made regarding formalising the Board's minutes at the Pensions Committee meeting. Currently they are just noted by the Committee without a formal discussion.

44.15 SK confirmed that any changes or minor adaptations made by the Board are included in reports for the Committee as an update from the Board.

44.16 Cllr Gerard Fox (GF) added that RM is also invited to comment or express a view on behalf of the Board. It is more relevant for RM to articulate on items that the Board has expressed a concern for the Committee to focus on.

44.17 The Board agreed that NS's suggestion was valid, and they will continue to explore how best to add more input from Board meetings in Committee meetings.

44.18 NS asked with regard to section 10.3 of the report, what happens if someone chooses to take a gap at the age of 16 or 18 prior to starting a further education full time course.

44.19 SK responded that this will be treated as a gap year, however this will be confirmed in the policy.

44.20 NS commented on a point in appendix 5 which states that the Board considers all reports taken to Committee other than investment papers, however, page 69 under objectives and roles it states that the Board covers all aspects of Governance of LGPS including funding and investments, therefore, clarity is required as to how this objective is met by the Board as the Board does not have sight of the investments papers.

44.21 RM responded that the detailed investment report on investments managers performance and strategy sits with the Committee and the Board is responsible for the governance structure and not details of the investments. RM recommended that the wording is looked at to make it clearer.

44.22 SK also added that the team is open to suggestions on how best to provide comfort on the governance of the investment arrangements, however it is not for the Board to understand investment strategy and how managers are performing, the Board should be comfortable with the structure in which decisions are made in line with regulations.

44.23 NS commented there that appears to be a disparity between the role of the Board and the role of the Committee in terms of governance arrangements.

44.24 SK suggested that minutes from the last Committee meeting are included in the Board's agenda as a section in the Governance paper summarising discussions and decisions from the Committee meeting on investment matters.

44.25 NS asked to be provided with context regarding the consultation responses in appendix 6 around increase in workload burden on the employer from i-Connect implementation.

44.26 Paula Jenner (PJ) responded that this refers to the previous LGPS forms which will eventually be phased out, however, for now there are certain elements that the i-Connect system cannot provide which means that the LGPS forms needs to continue to be provided as well as the i-Connect submission within the required timeframe.

44.27 The Board RESOLVED to:

- 1) Note the report and its appendices;
- 2) Ask Officers to consider adding an appendix around Prudence Level to the FSS;
- 3) Ask Officers to review wording with regard to section 10.3 to deal with gap years before a further education course begins;
- 4) Request that in future a summary of Committee minutes be included in the Board's agenda.

45. EMPLOYER ENGAGEMENT AND CONTRIBUTIONS REPORT

45.1 The Board considered an update on employer engagement tasks that directly affect the East Sussex Pension Fund (ESPF or the Fund).

45.2 Paula Jenner (PJ) provided an update on i-Connect; 120 employers are now onboarded which is good news as it means majority of employers submit data through i-Connect monthly. There is a small team in place to support employers with i-Connect. The team continues to work on streamlining internal processes and ironing out any onboarding issues.

45.3 RM asked if there were any large employers that have not been onboarded.

45.4 PJ confirmed that the University of Brighton Academy Trust with around 700 members has not yet been onboarded and the University of Brighton is due to be onboarded soon with a test file already received. East Sussex College Group had been onboarded, however due to change of staff at end of the year they require to be re-onboarded, however, this is progressing well.

45.5 Linda Walker (LW) thanked the team for all their hard work and was delighted to hear the positive news.

45.6 PJ gave an update on Employer Contributions Rates and Accounting Reports; new rates from April 2023 have been sent to employers. There has been improvement on late payments although no real pattern has been identified. As part of an improvement to increase the governance of the monthly contribution process, checks are made to ensure that all LGPS31 contribution forms are signed and reviewed by the relevant section 151 Officer or approved delegated person.

45.7 The Board RESOLVED to note the report.

46. COMMUNICATIONS REPORT

46.1 The Board considered an update on communication tasks that directly affect the East Sussex Pension Fund; activities have included newsletters, member update booklets, website and pension survey. This information is also fed through the Communications Working Group.

46.2 SK updated that for the first time ever a postal member booklet was sent to all members in the Fund in April which was well received.

46.3 LW confirmed that she had received her member booklet and commented that it was clear and simple to read. Sh said she had feedback from members that indicated the booklet was well received by members.

46.4 SK further updated that the website continues to be improved; the pension survey results have now been published on the website.

46.5 RM asked if it is possible to identify if site visits, views and responses are made by different people.

46.6 SK confirmed that the site analytics will be further improved following updates by the software provider around cybersecurity and analytics of footfall.

46.7 The Board RESOLVED to note the report and its contents.

47. PENSIONS ADMINISTRATION REPORT

47.1 The Board considered a report providing an update on matters relating to Pensions Administration activities for the period April 2022 to March 2023.

47.2 Paul Punter (PP) drew the Board's attention to the following points:

- PAT performance numbers in appendix 1, during quarter one 2023, average at 96.3% (volume completed 3,768) which were improved from the previous quarter (95.43% with a volume of 2,550); An additional section on aggregation has been added detailing different benefit options.
- –That the PAT team was now nearly fully staffed, with recruitment ongoing for the 2nd Projects Officer role.
- Projects Updates - the final list of employers using i-Connect and those completing end of year returns has been finalised and data requested where appropriate. The projects team is already validating some of the i-Connect March 2023 data files before creating ABS.
- Pensions Dashboard - Heywood Technologies have been instructed to undertake an assessment of ESPF data to help understand how ready the system is. It is anticipated that this will be completed by August 2023 with a report to be presented at the end of the year.
- Pensions and Payroll - April 2023 pension increase project has been completed and most pensioners will receive a 10.1% CPI increase in their April payment. Enquiries are being directed to the Member Self Service Portal for Annual Benefit Statement. Feedback received so far is that a significant proportion of members are experiencing issue with logon to the MSS portal and the system is expected to be replaced with a new TME system later in the year to improve user experience.
- McCloud Working Group- Data has been received from the majority of employers however not yet from the two largest scheme employers.

47.3 The Board RESOLVED to note the report.

48. INTERNAL AUDIT

48.1 The Board considered the internal audit reports contained in appendices 1- 4 of the report.

48.2 Danny Simpson (DS) drew the boards attention to Cash Management strategy and access to the Fund's bank account where reasonable assurance was given; Cyber Security arrangements where there was a single, low-risk, finding and an action agreed with management to address it; Investment and Accounting with one low-risk finding; and Administration of Pension Benefits where five findings were reported, all of which were medium- or low-risk, and agreed a robust action plan with management to address these.

48.3 NS referred to the 3rd principle in appendix B of the Cybersecurity report and asked if this was based on the East Sussex environment.

48.4 The Board was informed that systems outside the East Sussex Environment is being looked at as a separate project in collaboration with IT. All paperwork will be shared with the Board when the work is complete.

48.5 The Board RESOLVED to note the reports.

49. OUTTURN BUDGET REPORT

49.1 The Board considered a report providing updates on the outturn financial position for 2022/23 for the East Sussex Pension Fund (the Fund or ESPF).

49.2 Russell Wood (RW) drew the Board's attention to the final outturn position for 2022/23 which was £5.743m, a decrease of 50k from the last reported position. The underspend mostly relates to other administration projects which have been postponed whilst awaiting clarification from government and manager fees being invoiced lower than anticipated due to falls in asset values in the quarter. These were offset by some increases on staff cost recharges from East Sussex County Council and external audit fees.

49.3 The Board was reminded that going forward, Investment Management Fees will be managed separately from the budgeting process.

49.4 The Board received an update on staffing and informed that recruitment is going well.

49.5 The Board RESOLVED to note the report.

50. EXTERNAL AUDIT WORK PLAN

50.1 The Board considered a report on the content of the East Sussex Pension Fund external audit plan for 2022/23.

50.2 Ian Gutsell (IG) informed the Board that the report was still in draft format and audit will begin in July; IG further updated that the audit fees had gone up by around 150% which reflects the challenges around audit.

50.3 The Board RESOLVED to note the external audit plan for the East Sussex Pension Fund for 2022/23.

51. PENSION FUND RISK REGISTER

51.1 The Board considered the updated risk register and welcomed the new format.

51.2 The Board considered risk A1: the risk has been updated to reflect the use of a skills matrix to help identify where Pensions Administration Officers require training around specific processes and procedures.

51.3 SK informed the Board that there are three other risks which have been drawn out to be discussed under the exempt part of the meeting.

51.4 The Board RESOLVED to note the report.

52. WORK PROGRAMME

52.1 The Board considered the work programme for future Pension Board and Pension Committee meetings for the next year. The work programme provided an update on other work

going on outside the Board and Committee's main meetings, including Working Groups and upcoming training.

52.2 RM asked if the reports due in September are on track.

52.3 SK confirmed that the Independent Auditors Report and the Additional Voluntary Contributions (AVC) Report are on track to be delivered to the September Board meeting. The Accounts report will also be ready for September; however, the Annual report will not be ready until November as it does not need to be published until 1 December.

52.4 SK informed the Board that the date for the Employer Forum will be confirmed once arrangements with venue are in place.

52.5 RM informed the Board that he will be attending the PLSA conference in June.

52.6 NS asked if a review was planned for the Ill Health Insurance Arrangements from April 2021, in terms of commercial arrangements.

52.7 SK confirmed that this is something that will be looked at.

52.8 The Board RESOLVED to note the work programme.

53. ANY OTHER NON-EXEMPT ITEMS PREVIOUSLY NOTIFIED UNDER AGENDA ITEM 4

54. EXCLUSION OF THE PUBLIC AND PRESS

54.1 The Board RESOLVED to exclude the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

55. RISK REGISTER EXEMPT

55.1 The Board considered the exempt risk register.

55.2 A summary of the discussion is set out in an exempt minute.

55.3 The Board RESOLVED to note the report.

56. PENSION FUND BREACHES LOG

56.1 The Board considered a report providing an update on the Breaches Log and outstanding or new Internal Dispute Resolution Procedure (IDRP) cases.

56.2 A summary of the discussion is set out in an exempt minute.

56.3 The Board RESOLVED to note the report

57. EMPLOYER ADMISSIONS AND CESSATIONS REPORT

57.1 The Board considered a report on the latest admissions and cessations of employers within the Fund.

57.2 A summary of the discussion is set out in an exempt minute.

57.3 The Board RESOLVED to agree the actions set out in the exempt minute.

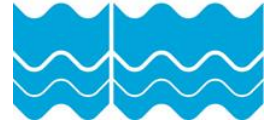
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CHAIRMAN

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PENSION COMMITTEE

TUESDAY, 19 SEPTEMBER 2023

10.00 AM COUNCIL CHAMBER, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Gerard Fox (Chair)
Councillors Ian Hollidge, Paul Redstone, David Tutt and Georgia Taylor

A G E N D A

1. Minutes
2. Apologies for absence
3. Disclosure of Interests
Disclosures by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
4. Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda.
5. Pension Board Minutes
6. Governance Report
7. Employer Engagement and contributions report
8. Communications Report
9. Pensions Administration report
10. Risk Register
11. Investment Report
12. Work Programme
13. Any other non-exempt items previously notified under agenda item 4
14. Exclusion of the public and press
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
15. Investment Report

16. Governance Report
17. East Sussex Pension Fund (ESPF) Breaches Log
18. Employer Admissions and Cessations
19. Supplier Contract update
20. Any other exempt items previously notified under agenda item 4

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11 September 2023

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Report to: Pension Board

Date of meeting: 6 September 2023

By: Chief Finance Officer

Title: Governance Report

Purpose: To provide an update on governance workstreams and changes effecting Local Government Pension Schemes and the East Sussex Pension Fund

RECOMMENDATIONS

The Pension Board is recommended to:

- 1) note this report;
 - 2) nominate a member representative vice chair and an employer representative vice chair;
 - 3) agree to dissolve the Communications working group;
 - 4) consider the continuation and membership of the McCloud working group.
-

1 Background

1.1 This report is brought to the Pension Board to provide an update on the steps being taken to adopt good practice and ensure compliance with regulatory requirements for the East Sussex Pension Fund (the Fund or ESPF).

1.2 This report outlines changes to Pension Fund policy for comment and noting.

2 Pension Committee meeting

2.1 In the June 2023 Pension Board meeting, the Board asked for an update on the key investment decisions being taken by the Pension Committee so it can have greater oversight of the governance process.

2.2 Since the last meeting of the Pension Board, the Pension Committee decided to delay the implementation of new investment strategies under the previous approved Investment Strategy as a new strategy is being developed following the triennial valuation which will be considered with view to being implemented from September 2023. This decision was supported by Officers and deemed appropriate by the Committee's advisors as the economic environment was now different to when the strategy was approved and the solvency of the Fund had improved significantly.

2.3 There were no formal investment decisions made at the June meeting. In addition to the Pension Committee meeting in June the Committee members attended a workshop day in July where they discussed possible future changes regarding the Investment Strategy and Statement of Responsible Investment Principles, which covers the Fund's beliefs regarding Economic, Social and Governance issues and the actions it will take in this area of investment. Formal reports following the workshop will be taken to the Pension Committee in September with recommendations to the Investment Strategy, a revision to the Statement of Responsible Investment Principles and Investment Strategy Statement to allow the Committee the opportunity to consider the recommendations of the Fund's advisors in an appropriate manner.

3 Consultations

3.1 In April 2023 the UK Government announced an intention to abolish the Lifetime Allowance (LTA). In July 2023 the Government commenced a consultation on this topic. The consultation will be completed in October 2023. In place of LTA there will be a new maximum tax-free lump sum

amount which will match the current LTA, payments over this amount will attract a tax charge at the beneficiary's marginal rate.

3.2 In July 2023 the Department of Levelling Up, Housing and Communities issued a consultation on investment pooling. This covers the Government intention for Pension Funds to accelerate and expand the use of pooling and to transition liquid assets by 31 March 2025. The Government is seeking 5% of assets to be allocated to UK levelling up; 10% investment in high growth venture companies; the implementation of a training policy for Committee members, requirements to set objectives for Investment Consultants and a technical change to the definition of investments. In addition the consultation suggests the Government want to see a transition towards fewer pools to maximise the benefits of scale.

3.3 A response to the consultation is currently being drafted and will be taken to the Pension Committee in September to seek their views and comments on the draft response, prior to submission by 2 October 2023. The Fund will consider incorporating views from the ACCESS pool when drafting the response where relevant.

4 Pension Board membership

4.1 Since the last meeting three members were appointed to the Pension Board at the Governance Committee on 18 July 2023. Cllr Gajjar and Cllr Wilson have been appointed as employer representatives and are drawn from Brighton and Hove City Council and the Borough and District Councils respectively. Zoe O'Sullivan has been appointed as a member representative.

4.2 Lynda Walker has left her position with East Sussex County Council and will no longer continue on the Pension Board. Officers are in contact with Unison to seek nominations for a new member representative.

4.3 Under the Terms of Reference for the Pension Board there is a requirement for it to have a permanent Independent Chair together with a Vice Chair drawn from both the Employer and Member Representatives. The vice chair should then alternate at each Board meeting. Following the changes in membership, the previously appointed vice chairs have now stepped down from the Pension Board. Under the East Sussex County Council Constitution, appointments to the Pension Board, and the allocation of material roles within it, are reserved to the Governance Committee. Pension Board are asked to nominate members of the Board to fill the vacancies of member representative vice chair and employer representative vice chair for approval at Governance Committee.

4.4 The recent changes in membership of the Pension Board has led to a review being required of the various Working Groups. The McCloud Working Group's terms of reference has now expired and a number of the representatives of this group have now left the Board. Board members are asked to consider if they wish for this working group to continue and if so are asked to determine who would like to sit on this Group with a preference for coverage from both an employer and member representative. At present no employer or member representatives sit on this group.

4.5 The Administration Working Group non-officer participants are Ray Martin, Neil Simpson and, from the Committee, Councillor Fox. There is currently no employer representative on this group. The Board are asked to consider whether an employer representative would like to join this working Group.

4.6 The Communications Working Group was set up following a number of recommendations presented to the Pension Board in March 2021 from the ESCC Head of Communications on his findings from a detailed communications review. The terms of reference were approved in November 2021 with a recommendation to reassess in 2023 whether this group had completed its primary objectives or continue. There are currently no employer or employee representative on this working group following the changes in membership. The communications working group was commended by Board and Committee members in May and June 2023, for its work on improvements to the member experience with the introduction of a refreshed website, changes to forms, establishment of a programme of surveys, significant improvements in newsletters and the production of a member booklet which was issued in April / May 2022 it is recommended that this Group should now stand down with the continuation of a report to the Board quarterly on communications developments.

5 McCloud

5.1 Since the last meeting of the Pension Board, the Department for Levelling Up, Housing and Communities has issued a consultation on the proposed remedy. Officers provided a response to the Consultation, as did the Local Government Association. The LGA response can be accessed here - https://lgpslibrary.org/assets/cons/lgpsew/20230530_LR.pdf The Funds response is included as **Appendix 1**.

5.2 The application of the McCloud remedy is anticipated to commence in October 2023, in line with previous expectations. In relation to the work being done by the Fund, data was sought from Employers to allow Officers to make the necessary calculations and this was received from most employers by July 2023. A test file has been created and was due to be provided to Officers for review. One employer has provided partial data, with part time history still outstanding, and a second employer has provided some data using the American date format, in error; delaying the information being put into a usable state.

5.3 Officers have been in contact with its software provider to discuss the uploading of the data received. Discussions are taking place to ensure safe transfer of data to the provider through a secure portal. Until the upload takes place Officers will not be able to carry out testing or perform calculation.

6 ACCESS pool

6.1 The ACCESS Joint Committee are scheduled to meet on 4 September, a copy of the public agenda was not available at the time of producing this report, Board members will be able to access this when published on <https://democracy.kent.gov.uk/ieListMeetings.aspx?Committeeld=898>. The East Sussex Pension Board Observers (Neil and Ray) have been invited to attend this meeting.

6.2 The last meeting of the JC was held on 5 June 2023.

7 Conclusion

7.1 The Board is asked to note this report; nominate member and employer representative vice chairs; agree to dissolve the Communications working group; and consider the continuation and membership of the McCloud working group.

IAN GUTSELL Chief Finance Officer

Contact Officer: Mike Burton, Pensions Manager Governance and Compliance
Email: Michael.Burton@eastsussex.gov.uk

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Dear Sirs

McCloud Consultation response

Further to the Department for Levelling Up, Housing and Communities' request for comments on its consultation on the McCloud remedy we would respond as follows.

Question 1 – Do you agree with the rules about aggregation and underpin protection that we are proposing?

The removal of a potential requirement for scheme members to aggregate benefits does reduce the administrative burden of needing to provide a further window of opportunity for members to aggregate periods of membership within LGPS. However, it does widen the scope of membership periods for people who may benefit from the McCloud remedy and also introduces a fresh administrative burden on Administering Authorities who will need to establish details of previous periods of membership within the LGPS when not already held. The NI Database may be able to assist with this but does not provide full details of the period of membership.

Question 2 – Do you agree with our proposed approach regarding Club transfers?

Where members have already transferred pension rights from another public sector scheme this will be relatively straightforward. However, for those who may have elected not to transfer, or not even have wished to investigate transfers, there will be an increased burden on Administering Authorities in both collecting and providing this data. This should be taken into account by the Government, in conjunction with the increased burdens identified across different aspects of this consultation and other changes that have been, or are being, made by various Departments and Agencies.

Question 3 – Do you agree with our proposal to extend underpin protection to the period after flexible retirement, if it is in the underpin period?

The proposal appears to provide an equitable solution. However, consideration should be given by the government to the impact on the administration of LGPS Funds. Whilst our Fund has not experienced a significant number of flexible retirements between 1 April 2014 and 31 March 2022, this may not be true universally across the wider LGPS so the proposals could add a burden, particularly when combined with the various other changes being made by the Government and its agencies.

Question 4 – Do you agree with our proposal for multiple final underpin dates if a member takes 'partial' flexible retirement?

The Fund would agree that there should be a check in place to ensure members receive the correct benefit, and it is important that an equitable solution is put in place to mitigate the risk of further challenge. However, consideration should also be given to the extent to which an additional burden will be placed on administration teams in the context of the full array of changes being proposed.

Question 5 – Do you agree with our proposed method for calculating a CEV for a member with underpin protection?

What has been proposed appears to be a sensible solution.

Question 6 – Do you agree with our proposal to remove pension debits from the calculation of the provisional assumed benefits and underpin amount?

What has been proposed appears to be a sensible solution.

Question 7 – Do you have any comments on the approach being adopted for these members?

It is encouraging that the Consultation references the work being done to create guidance. However, it is currently unknown how many people are likely to gain an entitlement to benefits in the LGPS. It is possible that the numbers may not be significant for each Fund but it seems likely that each case where a new member gains an entitlement will be complicated with a significant amount of work being required, triggering the associated costs. In turn this, when viewed through the prism of the total number of changes being made both in relation to the McCloud remedy and other areas, means there is likely to be a significant resourcing cost to Funds, which will need to be paid for.

Question 8 – Are there any areas where specific scheme regulations regarding excess teacher service would be necessary or beneficial?

It is encouraging that the Consultation makes clear that the Department for Education, Teacher's Pensions and the LGA are working together with a view to providing guidance on this particular group. This guidance will be beneficial.

Question 9 – Do you have any comments on the government's approach to compensation?

If decisions about compensation levels are to be made locally it is sensible to provide guidance at a national level to prevent inconsistencies between different Funds within the LGPS.

It is, however, concerning that the cost of paying compensation for the discrimination caused by the implementation of regulations by the Responsible Authority will need to be met by Administering Authorities and, ultimately employers and members of the Scheme.

Question 10 – Do you have any comments on the government's approach to interest?

The method of calculation does not seem unreasonable.

However, the payment of interest lies with the Administering Authority and, by extension, the employers and members. A fund should be created by central government to cover the costs incurred by Administering Authorities in making these interest payments as they directly relate to the actions of government rather than Administering Authorities.

Additionally, the rationale behind interest payments on pensions in payment being calculated from the mid-point between the day on which benefits were first underpaid and the date of payment. This is inconsistent with the existing interest provisions with the LGPS Regulations which provide for interest to be paid on pension payments when more than one year late.

Question 11 – Do you agree with the approach we have proposed for injury allowance payments?

No concerns

Question 12 - Do you have any comments on our equality impact assessment?

No comment

Question 13 – Are you aware of additional data sets that would help us assess the impacts of the LGPS McCloud remedy on the LGPS membership?

No

Question 14 – Do you have any comments on the draft regulations?

The main issue relates to the additional burden the new, and often complex, work will place on the administration of the LGPS. There have been a significant number of changes made in the last 2 years which have increased the burden and, as a direct result, cost of administering the LGPS.

Whilst the LGPS has benefitted from positive investment returns in the last valuation cycle, this cannot be taken for granted. As such there cannot be a reliance on future positive returns in order to pay for the extra work and compensation etc that will be caused by the implementation of the Regulations.

Question 15 – Do you have any other comments you would like to make on McCloud remedy in the LGPS?

No

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Report to: Pension Board

Date: 6 September 2023

By: Chief Finance Officer

Title: Employer Engagement Report

Purpose: This report provides and update on Employer Engagement activities and collection of Employer contributions

RECOMMENDATION

The Pension Board is recommended to note the report.

1. Background

1.1 This report is brought to the Pension Board to provide an update on employer engagement tasks that directly affect the East Sussex Pension Fund (the Fund).

1.2 Scheme Employers (scheduled and admitted bodies) are required to pay both employee and employer contributions to the Fund monthly, no later than 19 days of the following month in which the contributions were deducted from payroll. The contribution rates for members are set annually by the LGPS and are based on salary bandings. The Employer contribution rate is set at the triennial valuation and recorded in the rates and adjustment certificate issued by the Funds actuary or set on admission to the Fund agreed by the Fund's actuary.

2. Supporting Information

i-Connect

2.1. The i-Connect onboarding project is getting closer to completion; progress has slowed over the past few months as the focus has been on the work with Brighton and Hove City Council and the production of Annual Benefit Statements. Some new employers were onboarded for end of year purposes to alleviate the need for a manual end of year return. The anticipation is that the onboarding work will increase again from September with meetings and calls to train and support employers in the process.

2.2. Those employers who have already been onboarded on to i-Connect has allowed for an improved efficiency for the end of year process and the production of Annual Benefits Statements. Officers have been able to carry out some data cleansing and engage with employers around and data gaps. This will allow for more accurate record keeping and improve the standard of ABS that are produced.

2.3. The current numbers for the i-connect project:

Still to onboard/engage with	Initial enquiries ongoing	In Progress to onboard	Onboarded
1	10	7	122

2.4. Fund Officers are working with the remaining employers to help build files and educate them on the i-Connect processes. Ensuring the monthly file contains the correct data and is formatted correctly is a challenge and can take a significant number of calls and time with the

employer and their payroll provider to get the file ready to run through the i-Connect software. Some employers find the monthly uploads to i-Connect problematic with limits on time and technology, in these cases the team continue to offer time and support to those that need it. The biggest challenge that the team currently face is dealing with staff changes for employers and when employers change their payroll providers. This causes a lot of retraining and multiple calls to establish the correct contacts are in place and that they understand the specifications and requirements of i-Connect each month. Officers emphasise at the onboarding stage that any changes to staff or payroll systems need to be communicated to the Pension Fund at the earliest possible stage to manage the transition accordingly.

2.5. The i-Connect team are continuing to build a robust monthly process to allow the output from i-Connect files flow through to the workflow of the Pensions administration team. The data is looked at for each employer and any issues or errors in the data loaded are reviewed and resolved.

Employer Engagement Projects

2.6. The engagement team has been focusing on building and scheduling of training and learning for employers and members. The team will be launching some bite size/lunchtime learning sessions starting in September initially for ESCC employees in conjunction with the ESCC corporate Learning platform. These will cover an introduction to the LGPS, a pensions MOT and planning for retirement session. Once these sessions have been piloted and feedback received, the team will look to roll out to all employers.

2.7. The Employer Forum is set to take place on 30th November 2023. Invites for the Forum, with the agenda, will be circulated to all employers shortly.

2.8. Officers have been supporting the delivery of the Annual Benefit Statements, liaising with employers on any queries and missing data that may be required to produce accurate statements for employees.

Employer Contributions

3.1 The below table sets out the number of late payments, received after 19 days have elapsed following contributions deducted from payroll. Up to June 2023.

Overall	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total Payments Due	137	137	136	138	138	138	139	140	140	141	141	141
Payments Received Late	2	1	3	1	0	0	1	1	1	0	0	0

3.2 In the last 12-month period, there have been 10 late payments of contributions out of 1,666 expected payments (<1%) and 0 late payments in the last quarter. It is positive to see that the steps taken over the past 18 months has seen a big improvement in the compliance and governance of contribution payments from employers.

3.3 The Fund have implemented control checks on forms received by employers following a recommendation by Internal Audit.

4. Conclusion and reasons for recommendation

4.1 The Pension Board is recommended to note the updates provided in the report.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Tim Hillman, Pensions Manager Employer Engagement
 Email: Tim.Hillman@eastsussex.gov.uk

Report to:	Pension Board
Date:	6 September 2023
By:	Chief Finance Officer
Title:	Communications Report
Purpose:	To inform the Pension Board of communication activity delivered in the last quarter

RECOMMENDATION

The Pension Board is recommended to note the report.

1. Background

1.1 This report is brought to the Pension Board to provide an update on communication tasks that directly affect the East Sussex Pension Fund (the Fund).

1.2 The Fund has a Communications Strategy which defines the main methods of communication we provide for our key stakeholders. This includes making the best use of technology where appropriate, to provide quicker and more efficient communications for the Fund's stakeholders. The Fund will ensure that communication methods are accessible to all.

2. Newsletters

2.1 All newsletters now sit on the respective pages of the website and are promoted through page banners. They are also available through the Forms and Publications menu of the website.

2.2 An employer newsletter was issued in May 2023 with all relevant employers emailed. [Employer newsletter - May 2023 | East Sussex Pension Fund](#).

This newsletter contained some important updates on pension transfers and divorce, HR and Payroll guides, reminder of deadline for consultation on changing policies, employer training and backdated pay awards guidance.

2.3 The active and pensioner newsletters due to be issued in Q1 2023 were replaced by a posted Member update booklet. Since the last meeting the Fund have been able to assess the impact of the posted booklet on engagement by members. Key statistics following the distribution are below:

1. Average task volume per month (for 2023) = 335 compared to the volume of tasks in May 2023 = 558, showing a 166% increase
2. MSS activation requests of 219 in May 23, compared to an average of 133 in 2023, showing a 165% increase.
3. MSS log in issue tasks were 233 in May 23, compared to an average of 141 in 2023, showing a 165% increase.
4. Total mainline call volumes in May 2023 were 977, compared to 721 in May 2022, a rise of 35%.
5. On 29 April 2023, the date in which the first batch of booklets landed on doorsteps was the highest call volume in a day in ESPF history at 119 calls to both main and MSS lines.

6. 196 MSS related calls were taken in May 2023, double than we had in May 2022.
7. The 'Brief Guide to the LGPS' was downloaded 132 in May 23, compared to an average of 82 times in 2023, a 160% increase.

4. Website

4.1 Work continues to ensure the Fund's website is relevant and engaging. Recent changes include:

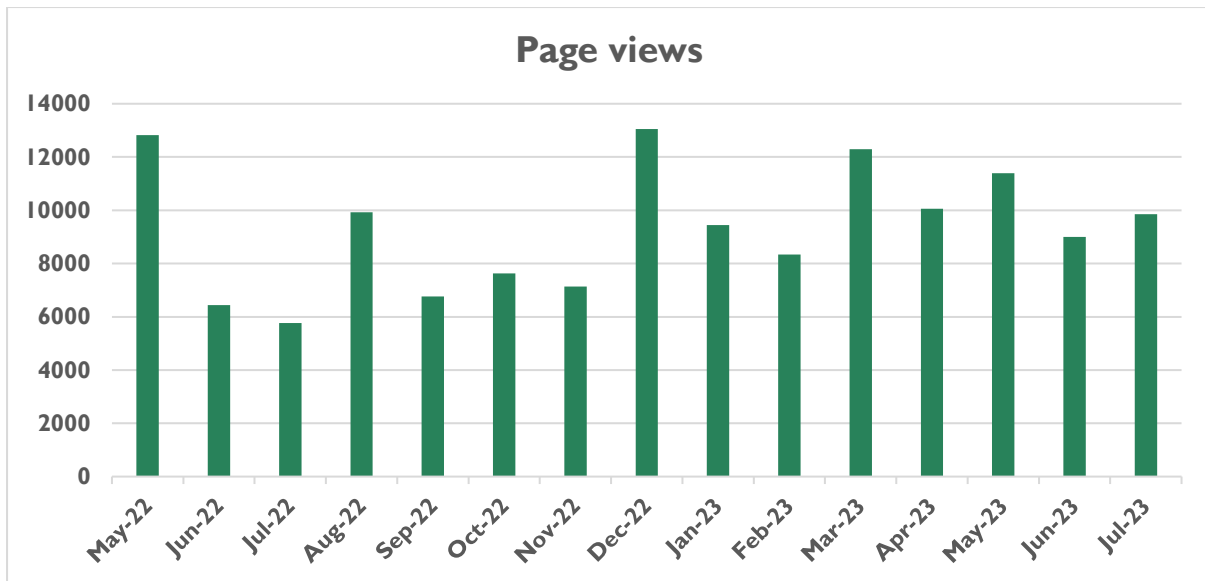
- Homepage – addition of important information about pension transfers & divorce, a general tidy up and format changes.
- Employer webpage has been updated to delete out of date information and promote various guides produced to support employers.
- Investments - the Q1 2023 ESG engagement report is now available.

4.2 The Fund continues to work with the software provider to make better use of website analytics which provides collection, reporting, and analysis of website usage. Better data will allow the Fund to determine the success or failure of activity and to drive strategy while improving the user's experience.

Hymans the software provide, have started to provide more detailed website analysis using google analytics and there is talk of Funds being given access to the underlying data so that we can produce our own bespoke reports.

Visitor numbers to the Fund's website continue to be healthy and includes a number of new visitors, with peaks around the times where the Fund issue communications – subsequently driving people to the site.





5. Bite-sized LGPS member training

5.1 The Fund are currently preparing a range of bite-sized training modules for employees. These will be run both virtually and face to face from September into 2024 for ESCC staff initially. Promotion will be via the ESCC Corporate training facility as well as within staff newsletters. The long-term aim is that these sessions will then be made available to other employers in the Fund. The sessions are:

- Introduction to the LGPS – Part 1 - virtual
- Introduction to the LGPS – Part 2 - virtual
- Introduction to the LGPS (in person)
- Your pension MOT
- Preparing for retirement
- The process of retiring from the LGPS

6. Annual benefit statements 2023

6.1 Work has begun on issuing the 2023 Annual Benefit Statements before the regulatory guideline of 31 August 2023. The statements have been simplified this year with a new design. The detailed notes now sit on the website. A further update is included in the Pensions Administration report.

6 Other communications work

6.1 Ongoing work across the Fund continues in implementing the Fund's brand, ensuring consistency in messaging, simplifying content available to members and employers and ensuring accessibility guidelines are adhered to. Accessibility scoring for the Fund website is now 90 (excellent) for content following the focus on this area.

6.2 The Communications Team has been heavily involved in reshaping the letters/templates/forms within the Pensions Administration software to issue to scheme members to ensure the format works when the Fund moves print supplier to the ESCC postal hub, and to ensure all letters are appropriately branded in line with our guidelines.

6.3 Work has been undertaken with the administration team to produce a new look payslip and P60 (in line with HMRC guidelines). Once complete the Fund aim to have these available via 'My Pension' – the member self-service portal.

7. Conclusion

7.1 Pension Board are recommended to note this report.

IAN GUTSELL
Chief Finance Officer

Contact Officer:
Email:

Tim Hillman, Pensions Manager Employer Engagement
Tim.Hillman@eastsussex.gov.uk

Report to: Pension Board

Date of meeting: 6 September 2023

By: Chief Finance Officer

Title: Pension Administration – updates

Purpose: To provide an update to the Pension Board on matters relating to Pensions Administration activities.

RECOMMENDATION

The Board is recommended to note the updates and make any comments for feedback to the Pension Committee.

1. Background

1.1 The in-house Pensions Administration Team (PAT) carries out the operational, day-to-day tasks on behalf of the members and employers of the East Sussex Pension Fund (the Fund, ESPF) and for the Administering Authority. They also lead on topical administration activities, projects and improvements that may have an impact on members of the Local Government Pension Scheme (LGPS).

2. Key Performance Indicators (KPI)

2.1 The Performance Report, for the period July 2022 to June 2023 can be found at **Appendix 1**. The PAT saw performance numbers during quarter two 2023, average at 94.67% (volume completed 3,515) which were similar to the previous quarter (96.30% with a volume of 3,768).

2.2 The Fund have a gold standard service provision for the Pensions Helpdesk and the results are included in **Appendix 2**. The Helpdesk is currently supported by Surrey County Council, however this service will not be supported after March 2024, so the ESPF Pensions Helpdesk service will be brought in-house on 1 April 2024. A project is underway to ensure a smooth transfer for this service, with staff TUPE transferring to ESCC, where applicable.

3. Pension Administration Staffing Update

3.1 The new Projects Manager started on 26 June 2023. The vacant Project Officer post has been filled by an internal candidate. The Fund is currently advertising for two new Pension Administration Apprentices. One of the existing Apprentices has passed his exams and has been made permanent. One Pensions Administrator left in August 2023.

4. Projects update

4.1 Annual Benefits Statements – 2023

The majority of employers are using i-Connect which provides data of the Annual Benefit Statement (ABS) production, with only a handful completing manual end of year returns. All employer data has been submitted and validated. Some resulting queries remain outstanding, but we are making good progress with the production of ABS. As of 18 August 2023, the Fund have issued ABS to 23,711 Deferred members and 11,703 Active members.

4.2 Process Reviews

The PAT have now completed a number of process reviews of the major activities carried out by the team to ensure the Fund is providing best practice service and has clearly documented robust processes, with a few ongoing. The reviews included revisions to member letters. The project has

been closely linked to the Robotics projects, where the first robot is now complete and being used to coordinate the deferred to normal retirement quotations and associated letters ready for checking with seven further proposals for automation with the robotics team.

4.3 Pensions Dashboards

Pension Dashboards are digital services (websites, apps or other tools) which individuals will be able to use to see all their pension information in one place, including their State Pension.

The Pensions Dashboard Programme (PDP) has been set up by Money and Pensions Service (MaPS) who are responsible for developing the dashboard ecosystem which enables individuals to view their pension data online. MaPS will host its own dashboard on the MoneyHelper website and other organisations will host their own dashboards, subject to approval and regulation by the Financial Conduct Authority (FCA).

Pension Funds scheme-specific staging dates have been removed and all schemes now have to connect by October 2026, but further guidance is expected. The date dashboards will be launched to the public (known as the “Dashboards Available Point”) will be advised by DWP.

Heywood are preparing a Dashboard data cleansing report for the Fund and this is expected in September 2023.

4.4 Printing & Postage services

With effect from 1 September 2023 elements of the printing and postage service for the Fund will be transferred to the East Sussex Digital Postal Hub. The function will allow letters and documents to be placed in a central hub for processing, then the Post Hub will automatically print, envelope and frank in the post room and send via Royal Mail the same or next day. This will reduce costs, increase efficiency, and facilitate new working styles.

The service requires the documents to be placed in a window envelope rather than a printed envelope so the exact positioning of the address on all existing documents have to be manually reviewed. Officers are also using the project as an opportunity to update the bank of 500+ letter templates to incorporate the Fund branding, include electronic signatures and checked for compliance with accessibility requirements and plain English.

PAT are on target to get the high volume use letters completed in August and further work will continue post go live. Solutions are being considered for sizing of the margins to support the need for bar coding.

4.5 Guaranteed Minimum Pension – Reconciliation & Rectification

The data was provided to Mercers to recommence the project in May 23 and their project plan suggests it should be completed by February 2024.

Due to a change in the Mercer business ownership officers have been asked to complete a deed of novation. This is being considered by Procurement and Legal.

6 **Conclusion and reasons for recommendation**

6.1 The Pension Board is asked to note the report and make any comments for feedback to the Pension Committee.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Paul Punter, Head of Pensions Administration
Email: paul.punter@eastsussex.gov.uk

APPENDIX 1

East Sussex Pensions Administration - Key Performance Indicators

Activity	Impact	Target	Target (since Oct 21)	Jun-23		May-23		Apr-23		Mar-23		Feb-23		Jan-23		Dec-22		Nov-22		Oct-22		Sep-22		Aug-22		Jul-22	
				Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score
Scheme members				83,939		83,857		83,910		84,074		84,394		84,232		84,067		83,333		83,208		82,472		82,526		82,476	
New starters set up				357		332		311		402		530		373		1,045		519		382		297		215		430	
Death notification acknowledged, recorded and documentation sent	M	95%	within 2 days	26	100%	26	100%	30	100%	28	100%	35	100%	48	100%	35	100%	47	100%	39	100%	25	100%	31	100%	26	100%
Award dependent benefits (Death Grants)	H	95%	within 5 days	21	86%	8	100%	11	100%	25	100%	32	100%	29	100%	9	100%	22	100%	23	100%	11	100%	13	100%	14	100%
Retirement notification acknowledged, recorded and documentation sent	M	95%	within 7 days	121	99%	200	99%	137	98%	190	98%	203	99%	155	99%	78	100%	91	100%	92	84%	100	92%	140	98%	148	95%
Payment of lump sum made	H	95%	within 5 days	133	99%	132	99%	145	98%	141	100%	115	100%	105	100%	73	100%	106	100%	128	100%	137	100%	150	100%	142	99%
Calculation of spouses benefits	M	90%	within 5 days	14	100%	13	100%	14	100%	12	100%	26	100%	26	100%	14	100%	20	100%	18	100%	16	100%	25	100%	21	100%
Transfers In - Quote (Values)	L	90%	within 10 dys, aggregation 15 within 5 dys	47	98%	48	98%	33	91%	63	96%	48	98%	70	99%	45	94%	45	89%	41	93%	25	92%	42	88%	22	91%
Transfers In - Payments	L	90%	aggregation 25 within 10 dys	20	100%	22	100%	21	100%	28	100%	19	100%	22	100%	23	100%	20	100%	18	100%	19	95%	22	100%	22	100%
Transfers Out - Quote	L	90%	aggregation 15 within 10 dys	53	87%	29	73%	22	96%	65	97%	72	99%	76	100%	44	82%	61	90%	48	94%	54	86%	82	97%	36	97%
Transfers Out - Payments	L	90%	aggregation 25 within 10 dys	12	100%	19	85%	7	100%	40	98%	22	100%	30	100%	17	100%	26	85%	21	90%	18	90%	10	90%	21	91%
Employer estimates provided	M	95%	within 15 days	27	100%	21	100%	19	100%	17	100%	33	100%	13	100%	8	100%	9	100%	10	100%	5	100%	4	100%	12	100%
Employee projections provided	L	95%	within 15 days	21	100%	24	100%	15	100%	17	100%	17	100%	15	100%	7	100%	18	100%	21	100%	23	100%	16	94%	16	100%
Refunds (inc frozen refunds wef Aug 22)	L	95%	Quotes 10 days, settle 5 days	173	92%	172	100%	132	97%	182	96%	125	86%	245	87%	110	98%	173	98%	165	89%	141	82%	160	89%	57	97%
Deferred benefit notifications	L	95%	within 15 days	282	90%	308	98%	257	97%	229	98%	203	99%	431	99%	235	99%	251	85%	339	98%	188	89%	213	93%	257	100%
Aggregation Quote	M	95%	within 15 days	89	66%	42	70%	62	81%	93	76%																
Aggregation Actual	M	95%	within 10 days	68	70%	115	96%	324	98%	423	93%																
TOTAL TASKS COMPLETED				1,107	90.42%	1,179	96.70%	1,229	96.90%	1,553	98.39%	950	97.47%	1,265	96.76%	698	97.56%	889	93.81%	963	94.91%	762	90.16%	908	94.93%	794	97.98%
Figures for the previous year				669	97.76%	806	98.01%	782	97.95%	844	96.68%	792	97.85%	722	98.34%	606	95.21%	883	97.62%	699	98.28%	847	97.17%	789	98.61%	734	99.32%
Figures for two years ago				664	94.73%	643	96.89%	481	94.59%	550	91.45%	557	90.84%	617	93.70%	408	98.28%	486	97.53%	591	98.31%	494	95.34%	516	92.64%	543	92.63%
Figures for three years ago				394	96.70%	359	98.61%	617	93.70%	598	99.00%	642	99.53%														
Missed target cases				106		39		38		76		24		41		17		55		49		75		46		16	
Complaints received				2		2		7		7		2		6		2		2		3		3		3		5	
Compliments received				0		0		0		1		1		0		1		0		0		0		0		0	

Performance for the year Apr 22 to Mar 23 inclusive		
Total	Fails	% pass
396	0	100.0
218	3	98.6
1,655	47	97.2
1,507	6	99.6
219	0	100.0
529	29	94.5
256	1	99.6
642	45	93.0
243	22	90.9
178	0	100.0
210	1	99.5
1,835	139	92.4
3,193	136	95.7
286	77	73.1
930	61	93.4
12,297	567	95.4

Summary for failed cases

Award dependent benefits (Death Grants)	
Retirement notification acknowledged, recorded and documentation sent	3 over by average 6.67 days
Payment of lump sum made	
Calculation of spouses benefits	
Transfers In - Quote (Values)	
Transfers In - Payments	
Transfers Out - Quote	7 over by average 6.43 days
Transfers Out - Payments	8 over by average 4.25 days
Employer estimates provided	3 over by average 4.33 days
Employee projections provided	
Refunds (inc frozen refunds wef Aug 22)	14 over by average 3.5 days
Deferred benefit (DBSYE)	28 over by average 6.36 days
Aggregation Quote	30 over by average 38.42 days
Aggregation Actual	20 over by average 6.90 days

3 over by average 6.67 days		15 over by average 2.87 days	8 over by average 6.9 days
		5 over by average 3 days	5 over by average 19 days
7 over by average 6.43 days	8 over by average 4.25 days	8 over by average 5 days	8 over by average 5.3 days
	3 over by average 4.33 days	4 over by average 21 days	9 over by average 4 days
			1 over by 10 days
14 over by average 3.5 days	18 over by average 1.2 days	34 over by average 2 days	18 over by average 9.11 days
28 over by average 6.36 days			26 over by average 6 days
30 over by average 38.42 days	13 over by average 48.05 days	12 over by average 8.08 days	21 over by average 4 days
20 over by average 6.90 days			17 over by average 5.4 days
			15 over by average 8.3 days

New KPI/SLA MI from Altair Insights not completed yet. Backlog on Aggregations being cleared and the BHCC 2021/22 cases all at once (plus creating & testing new next day transfer process). GAD Actuarial Factor review creating additional backlog	New KPI/SLA MI from Altair Insights not completed yet. Interviewing for Project Manager role in Jan 23. Process reviews continue. GAD Actuarial Factor review. March was impacted by the Pension Increase exercise.	New KPI/SLA MI from Altair Insights not completed yet. Lots of interviewing throughout the quarter. Process reviews continue. October new starters begin some intensive training.	New KPI/SLA MI from Altair Insights not completed yet. Key resources retained to work on ABS & i-Connect Employers. Plus Julie full time on Annual Allowance in Sept. Lots of time consuming interviewing undertaken in August. In Sept two staff began working on i-Connect without BAU backfill. A lot of team time being allocated to process reviews (the outstanding 2021/22 internal audit action). Sept included additional training for promoted staff. BAU time allocated to mortality exercises.
Project Manager started 26/6	1 job advertised plus 1 new pensions administrator & 1 project officer started	1 new pension administrator & 1 casual project officer removed	3 job offers made
Two vacancies	Three vacancies	Three vacancies	Three vacancies
	Five vacancies	Seven vacancies	Six vacancies
			Six vacancies
			Six vacancies
			Six vacancies
			Ten vacancies
			Ten vacancies
			Ten vacancies

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Appendix 2 Helpdesk performance

KPI	A	B	C	D
	First time fix	Call answer time	Abandoned call rate	Email response time
Gold	85% of enquiries dealt with at first point of contact	75% of calls answered in 20 seconds	Less than 5% of calls abandoned	100% of emails answered within 3 working days
Silver	80% of enquiries dealt with at first point of contact	50% of calls answered in 20 seconds	Less than 10% of calls abandoned	75% of emails answered within 3 working days
Bronze	70% of enquiries dealt with at first point of contact	30% of calls answered in 20 seconds	Less than 15% of calls abandoned	75% of emails answered within 10 working days
Below Bronze	<70% of enquiries dealt with at first point of contact	<30% of calls answered in 20 seconds	>15% of calls abandoned	<75% of emails answered within 10 working days

Quarterly performance assessed against the scoring mechanism with rectification plan for underperformance including penalty clauses for sustained underperformance.

Main Helpline for ESPF

Period	First time fix	Call answer time	Abandoned call rate	Email response time
GOLD TARGETS	85%	75%	5%	100%
April 21	96%	53%	5%	100%
May 21	95%	44%	7%	100%
June 21	95%	56%	5%	100%
July 21	91%	43%	9%	100%
August 21	88%	31%	9%	100%
September 21	86%	23%	6%	100%
October 21	80%	37%	2%	100%
November 21	87%	36%	1%	100%
December 21	81%	36%	0%	100%
January 22	83%	39%	0%	100%
February 22	80%	39%	0%	100%
March 22	86%	37%	1%	100%
April 22	84%	28%	2%	100%
May 22	84%	21%	4%	100%
June 22	86%	19%	2%	100%
July 22	87%	74%	3%	100%
August 22	91%	61%	4%	100%
September 22	92%	67%	4%	100%
October 22	85%	47%	8%	68%
November 22	82%	73%	1%	60%
December 22	85%	92%	0%	66%
January 23	87%	86%	1%	97%
February 23	84%	88%	1%	96%
March 23	86%	86%	1%	100%
April 23	87%	82%	1%	100%
May 23	87%	88%	1%	100%
June 23	85%	92%	0%	100%

The "call answer time" SLA on the mainline was investigated with BT and results between Sept 21 & June 22 were not reported correctly. The SLA% could not be recreated for that period.

Website Helpline (all six Pension Funds until October 21 then ESPF only)

Period	First time fix	Call answer time	Abandoned call rate	Email response time
GOLD TARGETS	85%	75%	5%	100%
April 21	N/A	30%	18%	N/A
May 21	N/A	31%	15%	N/A
June 21	N/A	48%	10%	N/A
July 21	100%	39%	10%	100%
August 21	100%	49%	21%	100%
September 21	100%	67%	6%	100%
October 21	91%	64%	9%	100%
November 21	100%	63%	6%	100%
December 21	100%	76%	2%	100%
January 22	100%	84%	2%	100%
February 22	100%	78%	1%	100%
March 22	100%	76%	6%	100%
April 22	100%	74%	2%	100%
May 22	100%	68%	2%	100%
June 22	100%	47%	10%	100%
July 22	100%	76%	3%	100%
August 22	100%	61%	10%	100%
September 22	100%	63%	14%	100%
October 22	100%	51%	15%	70%
November 22	95%	51%	5%	100%
December 22	100%	69%	0%	100%
January 23	100%	80%	2%	100%
February 23	100%	77%	2%	100%
March 23	100%	76%	1%	100%
April 23	100%	66%	2%	100%
May 23	100%	60%	3%	100%
June 23	100%	82%	2%	100%

Monthly transaction volumes

Month	Telephone Calls	Email's Processed	Call Back's	Total
April 21	1,080	287	13	1,380
May 21	855	475	11	1,341
June 21	807	944	15	1,766
July 21	929	1,795	13	2,737
August 21	936	1,329	5	2,270
September 21	858	1,470	8	2,336
October 21	767	1,241	16	2,024
November 21	815	1,206	0	2,021
December 21	513	968	4	1,485
January 22	777	1,175	19	1,971
February 22	797	1,377	17	2,191
March 22	819	1,293	17	2,129
April 22	898	1,114	24	2,036
May 22	911	1,335	25	2,271
June 22	801	1,017	21	1,839
July 22	722	988	16	1,726
August 22	1,154	1,813	28	2,995
September 22	817	1,166	18	2,001
October 22	736	1,050	17	1,803
November 22	513	1,660	25	2,148
December 22	518	875	6	1,399

January 23	1,064	1,302	15	2,381
February 23	923	1,308	10	2,241
March 23	1,077	1,439	13	2,529
April 23	1,037	?	?	?
May 23	1,073	?	?	?
June 23	939	?	?	?

Top five reasons for calls

Month	Self Service Activation	Login issues	Claim form guidance	Option guidance – member	Update Address	Leaver form received	Progress check - Actual	Progress check - Quote	Document or Form enquiry	Other
Jul 21	1 st	2 nd	3 rd	4 th	5 th					
Aug 21	1 st	2 nd	4 th	5 th		3 rd				
Sep 21	1 st	2 nd	5 th		4 th	3 rd				
Oct 21	3 rd		2 nd		4 th	1 st	5 th			
Nov 21		1 st	4 th		3 rd	2 nd	5 th			
Dec 21		4 th	2 nd		3 rd	1 st	5 th			
Jan 22	3 rd	4 th	1 st			2 nd		5 th		
Feb 22		2 nd	3 rd	5 th	4 th	1 st				
Mar 22	4 th	2 nd	1 st					5 th	3 rd	
Apr 22		1 st	2 nd	3 rd	4 th	5 th				
May 22		3 rd	1 st		2 nd	4 th				5 th
Jun 22	1 st	3 rd	4 th	5 th	2 nd					
Jul 22		3 rd	1 st		5 th	2 nd			4 th	
Aug 22		1 st	3 rd	4 th			5 th		2 nd	
Sep 22	3 rd	1 st	2 nd	5 th					4 th	
Oct 22		3 rd	2 nd	4 th		1 st			5 th	
Nov 22	4 th	3 rd	2 nd		5 th				1 st	
Dec 22	4 th	5 th	2 nd			3 rd			1 st	
Jan 23	1 st	2 nd	4 th		3 rd				5 th	
Feb 23	4 th	2 nd	1 st			3 rd			5 th	
Mar 23	2 nd	3 rd	1 st			4 th				5 th
Apr 23	5 th	2 nd	1 st		3 rd				4 th	
May 23	1 st	2 nd	3 rd		4 th					
Jun 23	5 th	2 nd	1 st		3 rd					4 th

We are initiating a possibility of using a Chatbot (robot) as an online support tool to help with FAQs.

Telephone survey

This is a new service starting in December 21.

Questions raised by email within 24hrs of call where a caller says they are willing to complete a short survey:

1. How easy was it for you to contact the Pensions Helpdesk today?
2. How confident are you that your question was resolved or will be resolved in the relevant timelines?
3. Based on your recent experience how strongly would you recommend using the Helpdesk to a colleague?
4. How satisfied were you with your overall experience today?

Question No.	1					2					3					4				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
December 21	0	0	0	4	23	1	1	0	5	20	1	0	1	4	21	0	2	1	2	21
January 22	0	0	0	10	49	4	0	0	7	48	0	1	2	5	51	2	1	1	4	51
February 22	0	0	1	1	25	0	0	0	2	25	0	0	0	2	25	0	0	0	2	25
March 22	0	0	2	8	29	1	1	3	8	26	0	2	1	3	33	1	1	1	6	30
April 22	0	0	0	6	39	0	0	1	6	38	0	0	2	6	37	0	0	0	6	39
May 22	0	0	0	7	44	0	1	1	5	44	0	0	1	6	44	0	1	2	2	46

June 22	1 1 5 8 39	0 2 6 11 35	0 2 5 5 42	0 2 5 7 40
July 22	0 0 1 3 16	0 0 1 4 15	0 0 1 2 17	?
August 22	0 1 1 5 20	0 1 0 6 20	0 1 0 4 22	0 1 0 5 21
September 22	?	?	?	?
October 22	N/A	N/A	N/A	N/A
November 22	0 0 0 2 6	0 0 0 2 6	0 0 0 1 7	0 0 1 1 6
December 22	0 0 0 3 54	0 1 3 9 44	1 0 2 5 49	1 1 1 8 46
January 23	1 1 7 10 98	3 4 6 21 83	0 5 2 16 91	1 6 1 19 92
February 23	0 0 6 25 96	7 3 12 18 87	2 5 11 12 97	2 4 15 13 93
March 23	1 0 6 18 112	7 3 10 22 95	1 5 8 18 104	1 5 8 18 105
April 23	?	?	?	?
May 23	?	?	?	?
June 23	?	?	?	?

Note: 5 Star is the highest and therefore best rating

An additional question was asked about how many times have your called in connection with your enquiry?

Month	First Call	Second Call	Third Call	Fourth or more
December 21	17	4	2	4
January 22	44	9	3	3
February 22	21	4	2	0
March 22	25	12	0	2
April 22	35	8	0	2
May 22	37	9	3	2
June 22	42	7	3	2
July 22	13	6	1	0
August 22	21	2	3	1
September 22	?	?	?	?
October 22	N/A	N/A	N/A	N/A
November 22	?	?	?	?
December 22	40	12	2	3
January 23	99	11	7	1
February 23	91	26	6	4
March 23	100	29	3	6
April 23	?	?	?	?
May 23	?	?	?	?
June 23	?	?	?	?

The Surrey Pensions Helpdesk was taken in-house from 25 November 2022.

ESPF have agreed to bring the Pensions Helpdesk in-house on 1 April 2024.

Report to: Pension Board

Date of meeting: 6 September 2023

By: Chief Finance Officer

Title: Pension Fund Risk Register

Purpose: To consider the Pension Fund Risk Register

RECOMMENDATIONS: The Pension Board is recommended to review and note the Pension Fund Risk Register.

1. Background

1.1 Risk management is the practice of identifying, analysing and controlling in the most effective manner all threats to the achievement of the strategic objectives and operational activities of the Pension Fund. It is not a process for avoiding or eliminating risks. A certain level of risk is inevitable in achieving the Fund objectives, but it must be controlled.

1.2 Effective risk management is an essential part of any governance framework as it identifies risks and actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources, including the funding position, Local Government Pension Scheme (LGPS) Pooling, General Data Protection Regulation (GDPR), investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks.

1.3 Since the last meeting of the Pension Board and Pension Committee, officers have continued to review the Risk Register to ensure all appropriate risks and mitigations have been identified.

1.4 It is accepted that whilst mitigations are put in place for identified risks, it will not always be possible for all risk to be eliminated. In these cases, a level of risk is tolerated and kept under review.

2. Supporting Information

2.1 The Risk Register is included at **Appendix 1**.

3 Changes to the Risk Register

3.1 Risk E2 – Employer Data - has had its post mitigation likelihood reduced, changing the overall risk scoring down to an amber risk. This risk had previously been scored more likely due to the ongoing issues with a single employer who has been identified as a standalone high risk employer on the exempt risk register. Data is received from other scheme employers and is generally in good order.

3.2 Risk A3 – Production of Statutory Returns - has had its post mitigation likelihood reduced to an amber risk. This risk had previously been scored more likely due to the ongoing issues with a single employer which is not systemic of the wider ability of the Fund to produce statutory member returns. Necessary data has been provided by the remaining employers and work on producing annual benefit statements was able to begin as planned.

3.3 Officers recommend risk I2 – Changes to International Trade - be removed from the register. This risk has its origins in the market uncertainty following the Brexit referendum and the ongoing negotiations between the Government and the European Union. Officers believe this is no longer a priority risk and market risk is covered by risk I1 – Funding Risk.

3.4 Officers recommend a new risk be added to the risk register. Risk I9 - Money purchase AVC – which relates to the Additional Voluntary Contributions (AVC) options available to members and reflects the requirement of the Fund to provide a suitable AVC offering to scheme members. All LGPS Funds have an arrangement with an AVC provider to enable scheme members to invest money in an in-house AVC. This enables the scheme member to build up a pot of money which is used to provide benefits on top of their

LGPS benefits. As the Fund is responsible for setting up the arrangement with the provider it needs to ensure it is providing a safe place for members to invest and provide appropriate investment options to the members at a reasonable cost. There is the risk that if the Fund does not review the AVC offering to its members and ensure the risk of investment options is clear, the available investment opportunities could be high cost or highly volatile and detrimentally impact the additional pensions the members can draw when they retire.

3.5 Officers have also made some alterations to the mitigation actions listed to bring the risk register up to date.

4. Conclusion

4.1 The Pension Board is recommended to review and note the Pension Fund Risk Register.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Sian Kunert, Head of Pensions
Email: Sian.Kunert@EastSussex.gov.uk

Summary Post Mitigation Risk scores

Reference	Strategic Risk	Feb-22	Jun-22	Sep-22	Nov-22	Feb-23	May-23	Sep-23	Change from February
Employer									
E1	Contributions Funding Failure to collect contributions from employers in line with Funding strategy requirements and Rates and Adjustment Certificate	4	4	4	4	4	4	4	↔
E2	Employer data Employers fail to provide accurate and timely data to the PAT team	9	9	9	12	12	12	9	↓
E3	Employer Covenant Delay in employers agreeing Admission Agreement, risk of insufficient security	4	4	4	4	4	4	4	↔
Administration									
A1	Pensions service Delivery Inadequate delivery of Pensions Administration	6	6	6	6	6	6	6	↔
A2	Regulatory Change Risk that new benefit structures can not be set up correctly or in time	6	6	6	6	6	6	6	↔
A3	Production of Statutory member returns Risk of failure to produce ABS, annual allowance and event reports	6	6	10	10	10	10	6	↓
A5	Transfer Scams Failure to comply with CETV anti scam checks	2	2	2	2	2	2	2	↔
A7	MBOS Project Failure to deliver the new ERP system to effectively deliver for Pension Fund accounting and payroll requirements	3	3	3	3	3	3	3	↔
Governance									
G1	Key Person risk Risk of loss of key / senior staff resulting in lost knowledge and skills with in the Pensions Team	4	4	4	4	4	4	4	↔
G2	Committee / Board Member Lack of decision making caused by loss of Pension Committee/Pension Board members or insufficient knowledge and skills of members	6	6	6	9	9	9	9	↔
G3	Cyber Security Risk of Loss of data or systems breaches through cyber attacks	8	8	8	8	8	8	8	↔
G4	Governance and Compliance Inadequate governance arrangements and controls to discharge powers & duties	3	3	3	3	6	6	6	↔
G5	Data Breach Failure to comply with General Data Protection Regulations	4	4	4	4	4	4	4	↔
G6	Fraud Internal and External fraud risk	3	6	6	4	4	4	4	↔
Investment/Funding									
I1	Funding risk - poor investment returns Risk that investment strategy fails to result in performance required to meet the needs of the Funding strategy discount rate	4	4	4	4	4	4	4	↔
I2	Changes to International Trade The changing of Regulations and International Trading relationships along with the trading environment, impact on investments in affected businesses	4	4	4	4	4	4	4	↔
I3	Regulatory risk Failure to comply with regulations, legislation and guidance from an accounting and investment perspective	2	2	2	2	2	2	2	↔
I4	Investment Pooling Inability to comply with government direction on pooling, insufficient sub funds to implement investment strategy, poor management of the pool	6	6	6	6	12	12	12	↔
I5	Funding risk - higher inflation Risk of inflation leading to increased liabilities, lower asset returns and a funding gap	2	6	6	6	6	6	6	↔
I6	Environmental, Social and Governance Risk of EGS factors within Investment strategy, underlying holdings and implementations of investment decisions	4	4	4	4	4	4	4	↔
I7	Climate change Risk to assets and liabilities associated with Climate Change	4	4	4	4	4	4	4	↔
I8	Liquidity Insufficient cash to pay benefits as they fall due	4	4	4	4	4	4	4	↔

Ref	Strategic Risks	Pre-mitigation on RAG	Risk Control / Response	Post-mitigation on RAG	Risk Owner
Employer Risk					
E1	Contributions Funding Failure to collect contributions from employers in line with Funding strategy requirements and Rates and Adjustment Certificate	9	<ul style="list-style-type: none"> •Monthly Employer contribution monitoring completed •Monitoring of late payments by Employer engagement team to address breaches for late payment. Chasers are sent out during the lead up to the deadline to prompt employers providing information and payment on time •Contributions recorded in Finance system for each employer to track employer cashflows in line with actuarial requirements for Valuation and FRS17/IAS19 reporting requirements. Also enables ability to see trends in contributions collected •Pension Administration strategy in place from January 2021 clearly outlining ability to charge employers for late payment, late receipt of remittance advice or poor quality of data. Late payment charges are now being administered as a deterrent and to cover the impact on the Fund for late payment. This strategy was refreshed in February 2023 •Implementation of i-Connect is improving the quality of contribution data received to better aid reconciliation of payments and drill into the accuracy of employers' contribution payments, however functionality is still being improved by the software provided •Report produced for Pensions Board meetings to highlight any late payment of contributions and Employer engagement actions from February 2021 •Covenant review undertaken helps identify employers most likely to have financial difficulties. Engagement with those posing most risk is ongoing •Triennial valuation process aims to stabilise contribution rates where possible and senior management involved in detailed discussions on funding assumptions. Triennial Valuation complete for 2022 and new rates set for April 2023 onwards. LGPS31 forms issued to all employers with new rates. •Guide to Employers on implications of Pensions on Outsourcing published and issued to all employers •Contribution deferral policy approved by Committee in June 2020 •Deferred debt and debt spreading policies drafted for approval in June 2023 •Employer engagement team are confirming the correct signatories for contribution submissions to ensure they are signed off at an appropriate management level •Regular communication with Employers through Employer engagement team •Cash Management covered by internal audit in 2022/23 year looking at contribution collection and cash management strategy •Cash Management and Contribution rate collection both identified in the 2023/24 internal audit programme for further investigation 	4	Head of Pensions
E2	Employer data Employers fail to provide accurate and timely data to the PAT team	12	<ul style="list-style-type: none"> •Pension Administration Strategy approved in operation from January 2021 and refreshed in February 2023 with consultation with employers April 2023 •Employing authorities are contacted for outstanding/accurate information •User Guide and Training provided to Employers for outsourcing implications with LGPS •Regular communication and meeting with administration services regarding service updates and additional data, when required •Employer engagement team established from January 2021 to support employers and provide training where required •Issuance of a quarterly employer newsletter to support employers in their understanding of current pensions issues and activity for the Pension Fund •A data cleansing plan was completed in June 2020 lead by Hymans. The PAT look at Data Improvement as part of BAU and is a regular item on the Administration working group. Data is also cleansed where appropriate as part of other projects •Introduction of i-Connect system will limit employer ability to submit incorrect data. Data is received monthly rather than annually to allow for regular cleansing and discussion with employers •Meetings held between senior pensions Management team and employers where there are current or historic data concerns •As part of the lead into the 2022 triennial valuation data cleansing and challenge was conducted by the Actuary with PAT to ensure the integrity of data 	9	Head of Pensions

E3	Employer Covenant Delay in employers agreeing Admission Agreement, risk of insufficient security	6 <ul style="list-style-type: none"> •Full suite of admission agreements in place to ensure the Fund can provide comprehensive admission agreements at the outset of negotiations in line with the risk sharing arrangements agreed with the letting employer. New templates have been developed for pooling rate. Fixed rate template and Bond template in place. These templates are shared with the employers early in the process to speed up the agreeing of new admission agreements •The Fund will consider moving to a template portal which will automatically populate the variable data in the admission agreement ensuring no addition terms are changed and provides assurance from external legal term that the agreement is comprehensive and enforceable. However, the functionality is not yet sufficient to make the processes easier for letting employers and contractors •Guide to outsourcing is publicly available and distributed to all employers with coverage in both Employer forum in November 2020 and 2021. This guide directs employers of all the activities and considerations they need to take on any outsourcing arrangement with TUPE staff implications •Officers meet regularly to review status and movement on each in progress admission and an update is provided at team meetings monthly to ensure the admission is complete and effective at all stages •A new data flow and process map has been written to ensure officers request and communicate all the required information in a timely manner and on execution of the agreements data is required in line with the Administration strategy •Admissions in progress are reported quarterly to Board and Committee to ensure awareness of status •Security obtained for new admissions in form of bond or a guarantee from an appropriate body which has the means to support the guarantee 	4 Head of Pensions
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Administration

A1	<p>Pensions service Delivery The scheme is not administered correctly resulting in the wrong benefits being paid or benefits not being paid, including the result of poor data</p>	9	<ul style="list-style-type: none"> •The PAT team is an in-house provision since December 2020 and enables the management team to have complete control over service delivery •Annual internal audit report on the administration of pensions including regular reporting and monitoring of "red" recommendations to ensure the service is acting in line with best practice. The Fund has received reasonable assurance since bring inhouse •Quarterly Reports to Pension Board and Committee on areas of work and KPIs •New service level KPI's now reportable within the Administration software •Awareness of the Pension Regulator Guidance by all team members, with training provided at team meetings or through provision of courses •Task workflow is managed by the Senior Pension Officers to all PAT staff and helpdesk add all tasks to the workflow system, to ensure all tasks completed as planned and to a high standard. PAT staff also add tasks as appropriate. •Checklists in place and all activity impacting members recorded on member records for other teams members to access •All tasks are peer reviewed. Constant monitoring / checking by team managers and senior officers for more junior staff members •In house risk logs covering projects •SAP / Altair reconciliation monthly to ensure pension payment records complete and correct *Most calculations automated to reduce manual error risk •Task management systems built into Altair to ensure activity is completed and monitored •Regular meetings with payroll, HR, ICT and PAT •Pensions Admin working group in place to discuss service delivery issues on a regular basis •Pensions Admin Team has skills matrix to identify training needs for particular processes 	6	Head of Pensions Administration
A2	<p>Regulatory Change Risk that new benefit structures can not be set up correctly or in time</p>	9	<ul style="list-style-type: none"> •Projects and/or working groups in place to deal with current regulatorily benefit changes •Attendance at networks and officer groups to stay on top of upcoming changes in regulation •Reports to Pension Board and Committee to ensure knowledge is shared to decision makers •Oversight via Pension Admin Working Group 	6	Head of Pensions Administration
A3	<p>Production of Statutory member returns Risk of failure to produce ABS, annual allowance and event reports</p>	15	<ul style="list-style-type: none"> •Regular contact with employers to get data •Clear project plan with early communications and planning with milestones to ensure Statements created in time to allow time for distribution to staff •Roll out of I-Connect for employer roll out as monthly interfaces system, to ease year end requirements and correct errors throughout the year. Currently many leavers are not being notified until year-end. This will also cleanse data relating to Annual Allowance •Structure of Pensions team includes Employer Engagement team to support Pensions Administration Team with end of year returns liaising and supporting employers through the process •Breaches policy in place and Breach reporting to Committee and Board quarterly to raise and consider breach reporting levels 	6	Head of Pensions Administration
A5	<p>Transfer Scams Failure to comply with CETV anti scam checks</p>	6	<ul style="list-style-type: none"> •Process in place for making checks required by law and/or recommended by TPR. Appropriate training to be identified and offered to staff to build understanding of risk and appropriate mitigations •Process mapping process has taken place to ensure transfers are fully documented with clear guidance to staff in carrying out this activity •Member informed of "red flags" identified •Scorpion campaign material provided to members seeking a CETV •Quality assurance checks ensure appropriate checks carried out 	2	Head of Pensions Administration
A7	<p>MBOS Project Failure to deliver the new ERP system to effectively deliver for Pension Fund accounting and payroll requirements</p>	9	<ul style="list-style-type: none"> •Officers are part of the project roll out and involved in testing. Needs of the Pension Fund are therefore being considered •Officers produced process mapping for all functions within the existing finance system •A specific stream of planning has been identified in the project for the interface with Altair •S151 officer on the programme board and will make go/no go decision •Heywood's paid to produce a scheme specific payroll data output report for transfer to Oracle 	6	Head of Pensions

Governance

G1	Key Person risk Risk of loss of key / senior staff resulting in lost knowledge and skills with in the Pensions Team	12	<ul style="list-style-type: none"> •Diversified staff / team •Attendance at pension officers' user groups to network and exchange information •Procedural notes which include new systems, section meetings / appraisals •Succession planning within team structure, building from within the team •Robust business continuity processes in place around key business processes, including a disaster recovery plan •Knowledge of all tasks shared by at least two team members within PAT and in addition can be covered by senior staff in all areas •Training requirements are set out in training strategy, job descriptions and reviewed prior to recruitment processes •Training officer post within team structure since 2021 •Training strategy in place and regularly reviewed with training log where required •Recruitment project to fill to vacant positions coming to an end with nearly all posts now filled •Utilisation of apprenticeships allow for bring new staff into to train in advance of vacancies 	4	Head of Pensions / Head of Pensions Administration
G2	Committee / Board Member Lack of decision making/functionality caused by loss of Pension Committee/Pension Board members or insufficient knowledge and skills of members	9	<ul style="list-style-type: none"> •Record kept of terms of Office •Pension Board terms of Office staggered •Vice Chairs in place to cover chair absence •Officers aware of election cycles and request for officers as a preference over elected members is communciated to employers •Robust Terms of reference in place that is clear and comprehensive •Training plans in place for new members to build knowledge to required levels 	9	Head of Pensions
G3	Cyber Security Risk of Loss of data or systems breaches through cyber attacks	16	<ul style="list-style-type: none"> • ICT defence - in-depth approach. • Utilising firewalls, passwords and ICT control procedures including system access and account deletion protocols. Network activity is monitored to identify security threats. • Email and content scanners • Using anti-malware which is regularly updated, together with other protective software • ICT performs penetration and security tests on regular basis • Encryption used on all data transfers • Service level agreement with termination clause • Regular reports SAS 70/AAF0106 • Industry leaders providing services to the fund with data protection and cyber defence systems • Risk assessment completed with all new contracts with data transfer and new associated systems including penetration testing at outset • Pensions Team specific BCP in development • Engagement with ICT to understand and receive reports on monitoring for successful cyber attacks. Cyber training is provided to all staff around techniques and methods used to launch cyber attacks 	8	Head of Pensions
G4	Governance and Compliance Inadequate governance arrangements and controls to discharge powers & duties	9	<ul style="list-style-type: none"> ••Training strategy in place which covers Pension Committee, Pensions Board and officers •100 days of internal audit commissioned for each calendar year to 2022/23 and 75 days from 2023/24 with regular reporting from IA to committee and board, including areas Governance and Compliance •External auditor provides audit plan at planning stage for each financial year and this is discussed by Audit committee as well as Pension Committee and Board •Investment regulations require proper advice •Procurement processes in place to ensure quality within replacement advisers •Review carried out against TPR COP14 requirements to identify any governance gaps •Specialist legal advisers and governance advisers to provide clear and accurate advice to the Fund on point of law or regulation •Publication of annual Governance and Compliance Statement explaining governance arrangements and reviewed and approved by Board / Committee •Training coordinator appointed. This officer liaises with chair of Pension Board and Committee to identify training needs •Working groups in place, with own terms of reference, which report findings to full Board and Committee •Governance of meetings supported by Democratic Services •Governance structures held within ESCC constitution •Conflict of interest policy in place 	6	Head of Pensions

G5	Data Breach Failure to comply with General Data Protection Regulations	9	<ul style="list-style-type: none"> •Contracts with external parties where there is a data role have clear terms and conditions as part of the data processing agreements •Data Impact assessment is carried out on all new tenders where data is involved •DPO is in place via ESCC •Privacy notice is on the website - the privacy statements have been refreshed in August 2021 and April 2022 •Memorandum of Understanding in place with employers within the fund •All staff are required to complete an information governance course on joining the Council and this is refreshed annually •Information governance Internal audit completed in Q4 2020/21 with a reasonable assurance level and all recommendations were completed •Pensions Manager for Governance and Compliance completed review on GDPR in Q4 2020/21 resulting in a newly designed webpage, new privacy notices and change to the retention period 	4	Head of Pensions
G6	Fraud Internal and External fraud risk	12	<ul style="list-style-type: none"> •Quarterly review of log in credentials •Senior officers have sight of bank account •Senior officers are signatories to bank account •Multiple sign off needed to make payment, with appropriate seniority levels •Mortality checks, Tell us once and NFI data •Contract in place with a third party to support with mortality and address training •Journals over £1m have to be signed off by Head of Pensions 	4	Head of Pensions

Investment/Funding

I1	<p>Funding risk - poor investment returns Risk that investment strategy fails to result in performance required to meet the needs of the Funding strategy discount rate</p>	9	<ul style="list-style-type: none"> •Strategy is supported by expert Investment consultants. Challenge to Consultants through Independent Adviser •Triennial valuation ensures funding position is known and contribution rates are stabilised •Quarterly Performance monitoring, investment manager monitoring from consultants and Link for ACCESS sub funds. Officers have a rolling programme to meet and challenge investment managers •Annual Investment Strategy Review, with interim rebalancing •Quarterly Reporting to Pensions Committee, with decisions approved by committee, including Fund Manager performance •Training strategy in place to ensure officers and committee members have sufficient knowledge and skills to implement and change the investment strategy •Investment decisions are made in compliance with the ISS/FSS •All investment decisions made, based on proper advice •Diversified strategy to reduce correlation of manager volatility •Changes to investment strategy are discussed with the actuary to ensure anticipated implications on funding aligned •Revision of the Asset Liability Model to support a viable Strategic Asset Allocation for the new valuation 	4	Head of Pensions
I2	<p>Changes to International Trade The changing of Regulations and International Trading relationships along with the trading environment, impact on investments in affected businesses Recommended for removal</p>	9	<ul style="list-style-type: none"> •Diversification of the Fund's investments across the world •Regular monitoring of investment performance and reports on potentially problematic trends •Diversification of the Fund's investments across multiple asset classes •Currency Hedging requirements considered within the investment strategy •Officers receive regular briefing material on regulatory changes and attend training seminars and ensure any regulatory changes are implemented 	4	Head of Pensions
I3	<p>Regulatory risk Failure to comply with regulations, legislation and guidance from an accounting and investment perspective</p>	9	<ul style="list-style-type: none"> •Pensions Officers are kept up to date with changes to legislative requirements via network meetings, professional press, training and internal communication procedures •Pension Fund financial management and administration processes are maintained in accordance with the CIPFA Code of Practice, International Financial Reporting Standards (IFRS), and the ESSC Financial Regulations •Regular reconciliations are carried out between in-house records and those maintained by the custodian and investment managers •Internal Audits - carried out in line with the Pension Audit strategy •External Audit review the Pension Fund's accounts annually •Specialist legal advisers to provide clear and accurate advice to the Fund on point of law or regulation •Breaches policy in place to ensure breaches mapped and reported 	2	Head of Pensions

14	Investment Pooling Inability to comply with government direction on pooling, insufficient sub funds to implement investment strategy, poor management of the pool	16	<ul style="list-style-type: none"> •ACCESS Support Unit team provide support to the pool •Operator contract provided by Link for assets held within the ACS •The ACCESS Contracts Manager will monitor Link's progress closely. If Link cannot resolve issues in a reasonable timeframe, then alternative options may be considered, e.g. Funds may continue to hold the sub fund outside the ACS •KPI's introduced within revised operator agreements •Consultants involved in analysing the creation of sub-funds and transitioning of assets into the pool, under a variety of scenarios •Opportunities to transfer securities in 'specie'. Reducing cost on transition •Transition manager in place to preserving asset values, managing risk and project managing the transition process to ensure that costs are monitored and controlled •Due Diligence completed by legal advisers to ensure no hidden costs or governance issues not known at time of decision to invest •S151, chair of pension committee and monitoring officer representation on respective committees, working groups or distributions to ensure ESPF involved in all decisions and concerns and questions can be raised early in processes •Regular meetings between officers and ACCESS pool with officers on a number of working groups to ensure involvement in decision making <p>Further Red level risk responses (See also exempt risk register for more details) Risk rating increased due to a commulation of various smaller factors relating to the operator Link Fund Solutions going through a sale process, the market conditions around transitioning of illiquid assets onto possible ACCESS solutions in the near term, a delay in government guidance and a number of projects and work that will require a draw on resources to impliment. The Fund will work with the ACCESS pool and participating Funds to work through market conditions and uncertainty around the anticipated government pooling consultation and help ensure the business plan and actions stay on track with a drive to increase investment on the ACCESS pool where possible.</p>	12	Head of Pensions
15	Funding risk - higher inflation Risk of inflation leading to increased liabilities, lower asset returns and a funding gap	12	<ul style="list-style-type: none"> •Investment strategy include weighting to index linked gilts, infrastructure and real estate which are all inflation correlated to mitigate increases in liabilities from inflation •Potential to further increase infrastructure weightings •Fund monitor portfolio sensitivity to inflation via expert investment consultants •Triennial Valuation assumptions include local knowledge of the Administering authority on anticipated pay inflation •Flexibility in the DGF mandates to react to the market and adapt the investment portfolio •Report received in Feb 22 on inflation possibilities with possible actions to take in the medium term. To be considered as part of the strategy review day •Quarterly monitoring of funding position helps identify risk early •2022 Triennial Valutaion completed - inflation models used to estimate the average inflation across a 20 year time horizon, including consideration of the current high inflation environment. Index linked gilt triggers introduced to benefit from market opportunities which provide alignment with changing liabilities 	6	Head of Pensions
16	Environmental, Social and Governance Risk of EGS factors within Investment strategy not being properly considered affecting underlying holdings and implementations of investment decisions	6	<ul style="list-style-type: none"> •Statement of Responsible Investment Principles outline responsible investment beliefs within ESG, implementation of decisions and monitoring of ESG factors •Investment Working Group and ESG working group consolidated into a single group to ensure ESG is in the heart of all investment decisions •Trim unconscious exposure to companies with poor ESG rating through removal of traditional index funds ensuring active managers have a strong conviction in the underlying companies including on ESG matters and less traditional passive indexes / smart beta funds have robust screening processes in place to ensure ESG principles are taken into account •Tracking of the portfolio as underweight in fossil fuel exposure to benchmarks •Production of annual reports on the carbon footprint of the Fund and review of managers from EGS perspective including transition pathway of underlying companies •2020 Stewardship code submission approved in February 2023 for the 2021 reporting year •Membership of collaborative groups to help drive policy change •Challenging managers on their holdings with regard ESG issues •Introduction of an ESG impact assessment for all managers reported in July 2021 including improvement actions for each manager on ESG methodology, reporting or collaboration. This will be updated and reported annually •Engaging via managers and investor groups including LAPFF with companies and driving them forward to comply with key ESG concerns using the greater voice by combined investment power •ESG factors incorporated into all decision making eg re-balancing the portfolio 	4	Head of Pensions

17	Climate change Risk to assets and liabilities associated with Climate Change	12	<ul style="list-style-type: none"> •Statement of Responsible Investment Principles (SRIP) outlines investment beliefs including Climate Risk. The Fund take the SRIP into account for implementation of decisions and monitoring of investment managers, carbon emissions and climate risk to the Fund •Investment Working Group and ESG working group consolidated into a single group to ensure ESG is in the heart of all investment decisions •Restructuring of the equity portfolio removed structural exposure to fossil fuel companies to avoid high risk companies from a climate perspective •The Fund are able to exploit opportunities from the low energy transition by investing in climate impact funds and resource efficient companies •The Fund has trimmed unconscious exposure to companies with high Carbon emission, poor energy transition plans and or fossil fuel companies, through removal of traditional index funds •Member of Institutional Investors group on climate change (IIGCC), the Fund also expects its managers to be IIGCC members •The Fund carries out annual carbon foot printing to better understand the carbon exposure and energy transition plans within the portfolio. Additionally, the Fund carries out ESG impact assessment of all investment managers which includes a climate score. •Signatory to UN PRI •Report in line with the TCFD farmework •The Fund is investigating climate scenario modelling which will help better understand this risk and allow further consider approaches in tackling these risks •Where exposed to fossil fuels, the Fund uses its vote to drive engagement and improved practices. A number of Fund managers are Climate 100+ engagement partners, leading on this work with top emitting companies, while all managers are IIGCC members for collaborate weighting of AUM to influence action. Managers have escalation plans for when engagement is not effective which includes disinvesting from the high carbon or fossil fuel company. •Focus on Climate change through training to committee and officers •Focus on Climate Change in decision making and strategy changes •Immaterial impact to the Fund value from direct exposure to fossil fuel companies in the instance of carbon taxes, valuation falls or stranded assets due to the underweight, very low exposure to this sector and no structural allocation of these companies. 	4	Head of Pensions
18	Liquidity Insufficient cash to pay benefits as they fall due	8	<ul style="list-style-type: none"> •Contributions monitored on monthly basis •Monitoring of members close to retirement •Daily cash position monitored •Distributing investments to ensure stream of income from investment activity •Income from investments is considered as a key risk in all investment strategy decisions and the income profile managed •Liaison between administration and investment team on cash requirements •Cash Management internal audit completed in Q3 2022/23 and will be picked up in the 2023/24 IA plan for further review 	4	Head of Pensions
19	Money purchase AVC Inadequate offering for the scheme members on cost, return and/or risk grounds	4	<ul style="list-style-type: none"> •A range of fund options provided, catering for different levels of member risk and return so they can design investment strategy for own circumstances •Commitment to undertake a review of continuing suitability of AVC offering regularly 	2	Head of Pensions

Risk Register Risk Scores

The risk scores are calculated using the risk matrix below:

90-100%	This week	Very High	LIKELIHOOD	5	5	10	15	20
60-90%	This Month	High		4	4	8	12	16
40-60%	This year	Medium		3	3	6	9	12
10-40%	Next 5 years	Low		2	2	4	6	8
0-10%	Next 10 years	Very Low		1	1	2	3	4
				1	2	3	4	
				IMPACT				
				Negligible No noticeable impact	Minor Minor impact, Some degradation of service	Major Significant impact, disruption to core services	Critical Disastrous impact, Catastrophic failure	
SERVICE DELIVERY				Handled within normal day-to-day routines.	Management action required to overcome short-term difficulties.	Key targets missed. Some services compromised.	Prolonged interruption to core service. Failure of key Strategic Project	
FINANCAL				Little loss anticipated.	Some costs incurred. Handled within management responsibilities.	Significant costs incurred. Service level budgets exceeded.	Severe costs incurred. Statutory intervention triggered.	
REPUTATION				Little or no publicity. Little staff comments.	Limited local publicity. Mainly within local government community. Causes staff concern.	Local media interest. Comment from external inspection agencies. Noticeable impact on public opinion.	National media interest seriously affecting public opinion	

Report to: Pension Board

Date of meeting: 6 September 2023

By: Chief Finance Officer

Title: Work Programme

Purpose: To note the Board and Committee work programme

RECOMMENDATION

The Pension Board is recommended to:

- 1) note the work programme
 - 2) advise of training completed, not recorded in the training log
-

1 Background & Supporting information

1.1 The work programme contains the proposed agenda items for future Pension Board and Pension Committee meetings over the next year and beyond. It is included on the agenda for each Board meeting.

1.2 The work programme also provides an update on other work going on outside the Board and Committee's main meetings, including working groups, upcoming training and a list of any information requested by the Board or Committee that is circulated via email.

1.3 This item also provides an opportunity for Board members to reflect on any training they have attended since the last meeting.

2 Conclusion and reasons for recommendations

2.1 The work programme sets out the Board and Committee's work both during formal meetings and outside of them. The Board is recommended to consider and agree the updated work programme including consideration of the regularity of agenda items to ensure effective governance of the Fund at the scheduled meetings; advise of training completed, not recorded in the training log.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Sian Kunert, Head of Pensions
Email: Sian.Kunert@EastSussex.gov.uk

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Pension Board and Committee – Work Programme

Future Pension Board Agenda		
Item	Description	Author
Standing items (items that appear on each agenda)		
Pension Committee Agenda	A consideration of the draft agenda of the Pension Committee.	Head of Pensions
Governance Report	A report on governance issues effecting the fund, developments in the LGPS, policy amendments and McCloud working group update	Pensions Manager – Governance and Compliance
Employer Engagement and Contributions Report	A report on Employer Engagement matters to note, Employer Contributions update, Communications from the Fund and Communications working group update	Pensions Manager – Employer Engagement
Pensions Administration report	An update on the performance of the Pensions Administration Team.	Head of Pensions Administration
Internal Audit reports	All internal audit reports on the ESPF are reported to the Board	Head of Internal Audit

East Sussex Pension Fund (ESPF) Quarterly budget report	An update on the ESPF's budget. This is reported in Q2-4 only.	Head of Pensions
East Sussex Pension Fund (ESPF) Risk Register	A report on the ESPF's Risk Register	Head of Pensions
Work programme	A report on the Board and Committee's work programme	Head of Pensions
East Sussex Pension Fund (ESPF) Breaches Log	A report on the ESPF breaches log	Head of Pensions
Employer Admissions and Cessations	A report on the admission and cessation of employers to the ESPF.	Head of Pensions
4 September 2023		
2 November 2023		
Independent Auditors Report on the Pension Fund Accounts 2021/22	A report on the External Audit findings of the Pension Fund financial Statements for 2021/22	Head of Pensions
Additional Voluntary Contributions (AVC) Report	AVC update report on AVC offerings to members	Head of Pensions

Pension Fund Annual Report and Accounts 2021/22	2020/21 Annual Report and Accounts for approval	Head of Pensions
Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Pensions Manager – Employer Engagement
Annual Training Plan	Report on Training completed in the year and training recommendations for the up-coming year	Head of Pensions
8 February 2024		
Business Plan and Budget 2024/25	Report to set the Budget for the Pension Fund for the Financial Year 2024/25 including the Business Plan with key deliverables for the year.	Head of Pensions
External Audit Plan for the East Sussex Pension Fund 2023/24	Draft External Audit Plan for 2023/24 Pension Fund Financial Statements	Head of Pensions
5 June 2024		
Governance and Compliance Statement	Annual Review of Governance and Compliance Statement	Governance and Compliance Pensions Manager
Annual Report of the Pension Board	Annual report of the Pension Board to the Scheme manager outlining the work throughout the year	Head of Pensions with the Chair of the Board
Privacy Notice and Memorandum of Understanding	Annual review of Funds Privacy Notice (summary and full) and Memorandum of Understanding to check for any changes. This will be reported as a note in the governance report if no required changes.	Governance and Compliance Pensions Manager

Training Strategy	Two year review and refresh of the Funds Training Strategy	Governance and Compliance Pensions Manager
Risk Management Policy	Three years review and refresh of the Funds Risk Management Policy	Governance and Compliance Pensions Manager
11 September 2024		
7 November 2024		
13 February 2025		

Actions requested by the Pensions Board		
Subject Area	Detail	Status
Internal Audit reports	The Board requested that internal audit consider an audit of the common data sets provided to the Pensions Regulator	TBC
Scheme administration	The Board requested a report on potential recommendations from the Scheme Advisory Board (SAB) that the Scheme Manager role is removed from local authority control.	Ongoing discussions

Future Pension Committee Agenda

Item	Description	Author
Standing items (items that appear on each agenda)		
Governance Report	A report on governance issues effecting the fund, developments in the LGPS, approval of policy amendments and McCloud working group update	Pensions Manager – Governance and Compliance
Pensions Administration report	An update on the performance of the Pensions Administration Team.	Head of Pensions Administration
Internal Audit reports	Internal audit reports on the ESPF and annual audit plan.	Head of Internal Audit
East Sussex Pension Fund (ESPF) Quarterly budget report	An update on the ESPF's budget - <i>reported Q2-4 only</i>	Head of Pensions
East Sussex Pension Fund (ESPF) Risk Register	A report on the ESPF's Risk Register	Head of Pensions
Work programme	A report on the Board and Committee's work programme	Head of Pensions
Investment Report	A Quarterly performance report of the investment managers	Head of Pensions and Investment Consultant

East Sussex Pension Fund (ESPF) Breaches Log	A report on the ESPF breaches log – <i>reported only when a new breach is recognised, or status changed. Report goes quarterly to Board.</i>	Head of Pensions
Employer Admissions and Cessations	A report on the admission and cessation of employers to the ESPF - <i>reported only when outstanding admissions or cessations.</i>	Head of Pensions
19 September 2023		
Carbon Footprinting	A report on the carbon footprint of the portfolio of ESPF including whether investments are in line with transition pathways. (Note this may slip to September depending on supplier turnaround times)	Head of Pensions
ESG Impact Assessment	Annual assessment by Investment consultants on the ESG standing of Investment managers with action plan	Head of Pensions
Investment Strategy Statement	Refresh of the Investment Strategy Statement following Strategy review workshop in July to formalise and approve the new strategy post triennial valuation. Review to include Statement of Investment Principles.	Head of Pensions
Stewardship Code submission for 2022	Update on status for submitting second annual submission to FRC for Stewardship activities for calendar year 2022 prior to October submission date	Head of Pensions
16 November 2023		
Independent Auditors Report on the Pension Fund Accounts 2021/22	A report on the External Audit findings of the Pension Fund financial Statements for 2021/22	Head of Pensions

Additional Voluntary Contributions (AVC) Report	AVC update report on AVC offerings to members	Head of Pensions
Pension Fund Annual Report and Accounts 2021/22	2020/21 Annual Report and Accounts for approval	Head of Pensions
Employer Forum Agenda	Discussion on Pension Fund Employer Forum Agenda topics	Pensions Manager – Employer Engagement
Annual Training Plan	Report on Training completed in the year and training recommendations for the up-coming year	Head of Pensions
22 February 2024		
Business Plan and Budget 2024/25	Report to set the Budget for the Pension Fund for the Financial Year 2024/25 including the Business Plan with key deliverables for the year.	Head of Pensions
External Audit Plan for the East Sussex Pension Fund 2023/24	Draft External Audit Plan for 2023/24 Pension Fund Financial Statements	Head of Pensions
19 June 2024		
Governance and Compliance Statement	Annual Review of Governance and Compliance Statement	Governance and Compliance Pensions Manager
Annual Report of the Pension Board	Annual report of the Pension Board to the Scheme manager outlining the work throughout the year	Head of Pensions with the Chair of the Board

Privacy Notice and Memorandum of Understanding	Annual review of Funds Privacy Notice (summary and full) and Memorandum of Understanding to check for any changes. This will be reported as a note in the governance report if no required changes.	Governance and Compliance Pensions Manager
Training Strategy	Two year review and refresh of the Funds Training Strategy	Governance and Compliance Pensions Manager
Risk Management Policy	Three years review and refresh of the Funds Risk Management Policy	Governance and Compliance Pensions Manager
17 July 2024 - Investment Strategy Workshop and training day		
25 September 2024		
21 November 2024		
27 February 2025		

Actions requested by the Committee		
Subject Area	Detail	Status
The case for Divestment and implications on Investment Strategy	<p>Committee agreed in July 2022 to ask officers and the Fund's external advisers to conduct a piece of work concurrent with the completion of the triennial valuation which:</p> <ol style="list-style-type: none"> 1. Assesses the fiduciary and legal consequences of fossil fuel divestment for the Fund; 2. Examines how such a move aligns with relevant guidance and advice; 3. Explores how practical an act it would be within the context of the ACCESS pool; and 4. Reviews evidence on the efficacy of such an approach in promoting the energy transition. 	Complete – presented to the Committee at their workshop day and will be included in the September investment report.
Presentations from Investment Managers	Meetings / Presentations with impact managers to understand what investments are held in the portfolios and IFM to understand the future proofing of infrastructure assets	In progress - expected to be scheduled in September
Training	<p>Requests were made, following the July 2023 investment workshop day, for training on the following areas</p> <ul style="list-style-type: none"> • How to invest in the energy transition. Eg electric storage/batteries, renewables, nuclear, hydrogen, EV's. What is cost and access to markets for these investments. • How are Private Equity Companies selected for the underlying portfolios, do we know what is held, do the IM's have influence/control of the underlying companies, can we influence what is included or not? Are there Impact or ESG PE options? • What are the pros and cons of DGF / absolute return funds? How are they correlated to other asset classes? • Global sovereign gilts – access to market, pros and cons of investing in other jurisdictions rather than the UK including ESG 	In progress – these will be looked at and considered how to best roll out

	<ul style="list-style-type: none">• How does LGPS investment strategy evolve over time, what is rebalancing, when is it done, what are the timelines associated with setting investment strategies, what are the impacts of pooling on strategy implementation• Cost benefit implications of de-risking the portfolio• Core responsibilities of Councillors in their role on the pension committee to ensure proper exercise of its responsibilities and powers. Readdressing the need for Governance framework role of the Committee and considering strategic investment change recommendations from expert advisers, rather than directing underlying investment holdings.	
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Current working groups		
Title of working group	Detail and meetings since last Pensions Board and Committee meetings	Membership
Investment Implementation Working Group (IIWG)	<p>The Investment Working Group and ESG working group have been amalgamated, as agreed at Pensions Committee 21 September 2020.</p> <p>The IIWG has an advisory role to oversee the implementation of decisions by the Pension Committee in relation to investment decisions and carry out detailed research and analysis for Pensions Committee.</p> <p>Recent IIWG meetings</p> <ul style="list-style-type: none"> • 11 May 2023 (Gilt triggers, property pooling, performance, strategy review progress, PE valuations, liquid asset pooling) • 24 May 2023 <i>Officers and Advisers only</i> – progress on Divestment project • 29 June 2023 <i>Officers and Advisers only</i> – progress on Divestment project <p>Scheduled</p> <ul style="list-style-type: none"> • 21 August 2023 (Investment Strategy Recommendations) 	<p>William Bourne, Russell Wood, Sian Kunert, Representative from Investment Consultant</p> <p>Cllr Fox or substitute committee member is invited to attend</p>
Administration Working Group	<p>The Administration Working Group was set up in 2021 following the conclusion of the ABS and Data Improvement Working Group. The group discuss ongoing administration projects and areas of administration focus</p> <p>Recent meetings</p> <ul style="list-style-type: none"> • 4 July 2023 <p>Scheduled</p> <ul style="list-style-type: none"> • 24 August 2023 • 9 October 2023 • 5 December 2023 	<p>Cllr Fox, Ray Martin, Neil Simpson, Paul Punter, Sian Kunert, Ian Gutsell</p> <p>Vacancy for employer rep</p>

<p>McCloud Working Group</p>	<p>The McCloud Working Group has been established to oversee the implementation of the McCloud ruling within a prescribed timeframe and addressing any gaps and barriers preventing progress and ultimately delivery of the project.</p> <p>A high-level impact assessment has been completed to identify those members of the scheme that will be affected by this ruling.</p> <p>The Group have acknowledged there are many data requests of employers and this project needs to be managed carefully with other demands on employers time.</p> <p>The Terms of Reference for this working group have now ended, Board and Committee to determine if the group needs to continue.</p>	<p>Cllr Fox, Paul Punter, Sian Kunert, Dave Kellond, Mike Burton</p> <p>Board representatives needed</p>
<p>Communications Working Group</p>	<p>The Communications Working Group was established by the Pensions Board in February 2021 to drive forward improvements in communications with stakeholders with support from employee and employer representatives.</p> <p>Recent meetings</p> <ul style="list-style-type: none"> • 17 May 2023 – TME/MSS, Member booklet <p>Scheduled meetings</p> <ul style="list-style-type: none"> • 12 September 2023 • 12 December 2023 	<p>Ray Martin, Sian Kunert, Tim Hillman, Paul Linfield,</p> <p>Vacancy for employer rep & employee rep</p> <p>Note - All Board members invited to attend</p>

Training and Development – attendance at recent events

Date	Topic	Committee	Board
6-8 June 2023	<p style="text-align: center;">PLSA Investment Conference</p> <p>This year pensions industry leaders and aspiring leaders will discuss:</p> <ul style="list-style-type: none"> • The impact of macroeconomic and political instability on the investment climate • The way we identify, understand and manage the next big risks • The investment outlook for an industry searching for growth opportunities • How pension funds can support positive growth for the national economy and society 		Ray
14 June 2023	Private Credit Training	Cllrs Redstone, Hollidge, Taylor	
29 June 2023	<p style="text-align: center;">Climate risk for investors</p> <ul style="list-style-type: none"> • A brief introduction to the issues; <ul style="list-style-type: none"> • What can pension funds do and what can't they do; • Practical pointers regarding the identification and measurement of climate risk and how this can feed into decision making; • Options currently available to a pension fund to take climate change risks into account (what could we do to mitigate the risk to the Fund); <ul style="list-style-type: none"> • What East Sussex is doing to manage this risk; and • Possible future developments. 	Cllrs Fox, Hollidge, Tutt, Taylor	

Training and Development – Upcoming Training Offered to Pension Board

September

Date	Topic
<p>Location and Dates:</p> <p>12 Sep, Wolverhampton - 14:00 - 17:00</p> <p>13 Sep, Leeds - 14:00 - 17:00</p> <p>21 Sep, Edinburgh – 11:30 - 15:00</p> <p>26 Sep, Cardiff, - 12:00 - 15:00</p> <p>Organisation: LGA</p> <p>Cost: Free</p>	<p>Investment cost transparency</p> <p>These sessions will provide:</p> <ul style="list-style-type: none"> • An explanation of the purpose and background of the Scheme Advisory Board’s Code of Transparency • a case study from an LGPS fund on how investment cost information has been used • a troubleshooting session on how to use the online reporting system, run in conjunction with Byhiras (the system providers), and • a facilitated discussion on the information that fund officers should be receiving and how this information should be reported to pension boards and committees. <p>Sessions 1 - 3 for all attendees</p> <p>Sessions 4 - 5 for Officers only</p>
<p>13 September</p> <p>Organiser: PLSA</p> <p>Time: 11:00-11:45</p> <p>Location: Online</p>	<p>The Mansion House Reforms - Where do we stand now?</p> <p>In this webinar:</p> <ul style="list-style-type: none"> • Experts from the PLSA’s Policy team outline the key points we have been putting to the Government on issues as pensions and growth, value for money in DC, small pots and the future of LGPS pooling. • Scheme leaders give their perspective on what it all means in practice.

<p>Cost: Free</p>	<ul style="list-style-type: none"> • We look ahead to what happens next in pensions policy, as we move towards a General Election
<p>14 September</p> <p>Organiser: Pensions Age</p> <p>Time: 08:50 – 17:00</p> <p>Location: London</p> <p>Cost: Free</p>	<p><u>Pensions Age Autumn Conference 2023</u></p> <p>Topics include regulatory updates, investment, technology, administration, communication, de-risking and more</p>

Training and Development – Upcoming Training Offered to Pension Committee

September

Date	Topic
<p>7 September</p> <p>Organiser: SPS</p> <p>Time: 09:00 - 16:00</p> <p>Location: London</p> <p>Cost: Free</p>	<p><u>Bond Strategies in the New Investment Climate</u></p> <p>Conference objectives:</p> <ul style="list-style-type: none"> • Update yourself on the economic and market environment • Explore a range of fixed income investment strategies • Support your decision making • Answer your concerns in Q&A led by investors • Network with peers and speakers (77% pension fund attendees SPS Bonds Jan 2023)
<p>7-8 September</p> <p>Organiser: LGC</p> <p>Location: Leeds</p> <p>Cost:</p> <p>1 night accommodation: £1049.00</p> <p>2 nights accommodation: £1199.00</p>	<p><u>LGC Investment & Pensions Summit 2023</u></p> <p>The event brings together the whole LGPS community for 2 days of critical insight, topical content and high-level debate to navigate through the key and numerous challenges facing those delivering local government pensions today.</p> <p>New for this year are sessions covering some of the broader pensions issues including:</p> <ul style="list-style-type: none"> • Debate on what the pensions of the future look like • Global outlook on an unprecedented economic landscape

The LGPS as a lever for change to boost UK growth

Location and Dates:

[12 Sep, Wolverhampton - 14:00 - 17:00](#)

[13 Sep, Leeds - 14:00 - 17:00](#)

[21 Sep, Edinburgh – 11:30 - 15:00](#)

[26 Sep, Cardiff, - 12:00 - 15:00](#)

Organisation: LGA

Cost: Free

[Investment cost transparency](#)

These sessions will provide:

- An explanation of the purpose and background of the Scheme Advisory Board's Code of Transparency
- a case study from an LGPS fund on how investment cost information has been used
- a troubleshooting session on how to use the online reporting system, run in conjunction with Byhiras (the system providers), and
- a facilitated discussion on the information that fund officers should be receiving and how this information should be reported to pension boards and committees.

Sessions 1 - 3 for all attendees

Sessions 4 - 5 for Officers only

13 September

Organiser: PLSA

Time: 11:00-11:45

Location: Online

Cost: Free

[The Mansion House Reforms](#) - Where do we stand now?

In this webinar:

- Experts from the PLSA's Policy team outline the key points we have been putting to the Government on issues as pensions and growth, value for money in DC, small pots and the future of LGPS pooling.
- Scheme leaders give their perspective on what it all means in practice.
- We look ahead to what happens next in pensions policy, as we move towards a General Election

14 September

[Pensions Age Autumn Conference 2023](#)

<p>Organiser: Pensions Age</p> <p>Time: 08:50 – 17:00</p> <p>Location: London</p> <p>Cost: Free</p>	<p>Topics include regulatory updates, investment, technology, administration, communication, de-risking and more</p>
<p>20 September</p> <p>Organiser: SPS</p> <p>Time: 09:00 – 16:30</p> <p>Location: London</p> <p>Cost: Free</p>	<p><u>Net Zero, Impact & Sustainable Investment Conference</u></p> <p>Conference objectives:</p> <ul style="list-style-type: none"> • Explore a range of new impact and sustainable investment strategies • Consider manager selection – and avoid greenwashing • Understand the latest research on effective ESG data in different countries • Answer your concerns in Q&A led by investors • Network with peers and speakers (75% investor attendees SPS ESG April 2023)
<p>28 September*</p> <p>Organiser: DG Publishing</p> <p>Time: 08:30 – 13:50</p> <p>Location: Loch Lomond</p> <p>Cost: Free</p>	<p><u>DB Strategic Investment Forum</u></p> <p>This is an annual reality check on the state of the DB pensions industry, enabling senior pensions executives to compare notes in a non-competitive environment on the investment and funding challenges they all face in delivering guaranteed member outcomes. This is the ideal place for public and private sector pension schemes to exchange ideas on handling issues such as climate change, inflation protection and risk mitigation.</p> <p><i>*In the delegate pass is included: 2-nights accommodation and dinner on the 27th and 28th September.</i></p>
<p>October</p>	
<p>19 October</p>	<p><u>LGPS Sustainable Investment & Other Topical Issues Conference</u></p>

Organiser: SPS

Time: 09:00 – 16:30

Location: London

Cost: Free

- Topics to be covered will include:
- Life Sciences with an impact theme
- Litigation as part of a toolkit to allow sustainability in pension fund investments
- Private Debt
- Fixed Income
- TCFD
- Plus topical LGPS issues from key industry figures

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