

Report to: Pension Board

Date of meeting: 17 June 2019

By: Head of Pensions

Title: General Update

Purpose: To provide a general update to the Pension Board on matters relating to the Board activities.

RECOMMENDATION

The Board is recommended to note the report

1. Background

1.1 This report provides an update on matters relating to the Pension Board and Committee activities.

2. National Development - updates

2.1. The ACCESS pool update has been provided through a separate, exempt report at this meeting.

3. 2019 Actuarial Valuation

3.1 The East Sussex Pension Fund (ESPF) is subject to a formal actuarial valuation every three years. The last valuation of the Fund was in 2016 with the next valuation to be undertaken as at 31 March 2019. The results of the valuation will determine employer contribution rates for the period from 1 April 2020 to 31 March 2023. As part of the contribution rate setting process, the Fund is preparing to engage with some employers to fully understand their circumstances, including the level of security they hold as a participating employer. This will be communicated by way of an employer risk questionnaire, and if appropriate, the Fund may commission further work from a financial covenant specialist to investigate the answers provided to the questions.

3.2 Work is underway regarding key financial assumptions affecting the valuation. The Fund actuary is preparing papers to help review and set two of the most significant financial assumptions, the discount rate and the rate of salary increases.

3.3 The Fund actuary has confirmed that the preferred approach for modelling the contribution rates of the Councils, Colleges and Academies is to carry this out as soon as possible based on 31 March 2018 data. This is the approach taken by nearly all of the Funds Hymans Robertson advice as it allows more time for discussions with the various stakeholders and provides greater budgeting certainty for the employers. The draft 2019 valuation timetable/plan has been updated (attached as Appendix 1).

4. Pension Board Agenda – 9 September 2019

4.1 The draft agenda for the 9 September 2019 Pension Board meeting will include the following-

- Governance Compliance Statement (Annual Review)
- Investment Strategy Statement
- Communications Policy Statement
- Monitoring of administration KPIs
- Review GMP reconciliation process

- Annual Benefit Statement Exercise – update
- Pensions Administration Performance/Update Report
- Update on regulatory changes
- Review of Triennial Valuation Process
- Review of Pension Fund Risk Register
- Review Pension Administration processes and SLAs
- LGPS Pooling – ACCESS Pool Update.

5. Conclusion and reasons for recommendation

5.1 The Board is requested to note the general update regarding the Pension Fund activities.

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