

**Finance
Department**

County Hall
St. Anne's Crescent
Lewes
East Sussex
BN7 1UE



Telephone: 0345 6080 190
Website: www.eastsussex.gov.uk

LGPS Supervision & Frontline Regulation
The Pension Regulator
Napier House
Trafalgar Place
Brighton
BN1 4D

29 September 2020

Our Ref: Scheme Reference (Pension Regulator) PSR Number: 10079157

Dear Sir/Madam

This letter provides a breach report for the East Sussex Pension Fund. The exchange portal could not accept the breach report due to technical issues hence this letter.

This breach report concerns the following matter:

1. the 2020 Annual Benefits Statement breach report for the scheme year ending 31 March 2020.

Since the Fund's last report to the Regulator in November 2019, it has secured good progress in improving the quality of records and data improvement more generally. As we previously advised, the Data Improvement Programme commenced in November 2019 spearheaded by Hymans Robertson and overseen by the Data Improvement and Annual Benefit Statement Working Group (comprising Officers, Pension Board representatives and the Chair of the Pension Committee). This programme formally concluded in June 2020 with data improvement functions transitioning to business as usual within the Administration. The high of engagement with Fund employers successfully increased the quality and level of returns. The Fund's results are set out in Appendix A and summarised below:

Active Members:

Eligible members:	22,262
Statements produced:	21,639
Shortfall:	623

The Fund was unable to provide statements for 623 active members, due to a total of five employers failing to submit or extremely late submission of the EOY return and/or missing 2019/20 CARE Pay details. Notably, two employers accounted for over 86% of attribution. These employers are: the East Sussex College Group (31.6%) and Brighton and Hove City Council (55%). Since these employers perform without compliance year on year, the Fund Officers escalated the matter to the Pension Board for review.

The Pension Board reviewed this matter at its meeting on 7 September 2020 and made a recommendation to report the East Sussex College Group and Brighton and Hove City Council to the Pension Regulator for failure to comply with the statutory provisions of the Annual Benefit Statements. This decision was upheld by the Pension Committee at its meeting on 21 September 2020. This letter is considered as a formal breach report on this matter.

The Fund did not provide any statements to 325 Casual Employees, for which 2019/2020 CARE pay was not provided (this is not included in the totals above). Whilst the Fund is seeking to regularise and review its approach to Casual Workers, it would be useful for the Regulator to confirm its understanding and position in relation to Casual Workers and specifically the Fund's treatment of this category in 2020. Any advice or guidance would be very useful.

In summary, this year's performance was markedly improved from the performance in 2019 which reported a shortfall of 7,900 statements. Whilst this is an excellent result for the East Sussex Pension Fund, the Fund is not complacent and continues its commitment to continuous improvement and better outcomes for our members.

Deferred Members

Eligible members:	31,023
Statements produced:	29,727
Shortfall:	1,296

The Fund provided statements to 29,727 deferred members, with a shortfall of 1,296 (Shortfall 2019:15,815). This strong result was attributable to the Data Improvement Programme work of resolving cases assigned to Status 2 and Status 9 within the Altair system and improving track and trace capabilities, including increasing the level of mortality tracing.

This year's shortfall was mainly attributable to members for which the Administrator no longer held a valid address, classified as Gone Away (87.3%) and those members who were not eligible for receipt of a statement (7%).

As from 30 September 2020, replies will need to be addressed to my successor, Sian Kunert, Head of East Sussex Pension Fund contactable Sian.Kunert@eastsussex.gov.uk. I trust that this breach report provides the assurance that the Authority is giving proper consideration to these matters and committed to delivering an accountable service.

Yours sincerely

Michelle King
Interim Head of Pensions
East Sussex County Council