

Report to: Pension Committee

Date of meeting: 28 September 2021

By: Chair of Local Pension Board

Title: Report of Pension Board to Pension Committee

Purpose: Report to Pension Committee, to consider understand the work completed by the Pension Board

RECOMMENDATIONS: The Pension Committee is recommended to:

1) **Note the report from the Pension Board which covers the work completed in year**

1. Background

1.1 This document outlines the actions taken by the Local Pension Board of the East Sussex Pension Fund (ESPF). It also details the training undertaken in the past 12 months to enable individual Pension Board members to develop and maintain the required level of knowledge and understanding to enable them to fulfil their function of supporting the Administering Authority, which is also known as the Scheme Manager.

1.2 This document will allow the Pension Committee to build a more detailed understanding of the work being done by the Pension Board to improve the operation of ESPF.

2. Membership and attendance

2.1 The membership of the Local Pension Board is

Employer Representatives

- Stephen Osborn - Deputy Director of Finance, University of Brighton
- Cllr. Chris Collier - East Sussex District and Borough Councils (until July 2021)
- Cllr. Tom Druitt - Brighton & Hove City Council (from October 2020)
- Cllr. Toby Illingworth- East Sussex District and Borough Councils (from July 2021)

Member Representatives

- Lynda Walker – UNISON
- Niki Palermo – GMB
- Diana Pogson – Pensioners' representative

Independent Chair

- Ray Martin

2.2 Cllr Appich stepped down from the Board in September 2020 and was replaced by Cllr Druitt in October 2020. Cllr Collier stepped down from the Board in June 2021 and has been replaced by Cllr Illingworth in July 2021.

2.3 Attendance at meetings has been high in the past year

	7 September 2020	16 November 2020	15 February 2021	1 June 2021
Stephen Osborn	Y	Y	Y	Y

Cllr Chris Collier	Y	Y	Y	N
Cllr. Tom Druitt		Y	Y	Y
Lynda Walker	Y	Y	Y	Y
Niki Palermo	N	Y	Y	Y
Diana Pogson	Y	Y	Y	Y
Ray Martin	Y	Y	Y	Y

3. Work of the Pensions Board

3.1 Meetings are held shortly before each Pension Committee meeting, where all papers relating to administration, governance, policy, audit and communications are first considered by the Board prior to final versions being presented at Committee for approval. This allows the Board to feed in on matters of governance and represent the views of members and employers in the documents that are then taken for approval.

3.2 Members of the Pension Board sit upon, and have attended meetings of, the Communications Working Group, the Data Improvement Working Group and the McCloud Working Group. By sitting on the working groups members of the Pension Board are able to use their knowledge and experience to support officers of ESPF during the development of new policies and procedures. One example of the input of Pension Board members is the creation of a new way Fund members can contact Pension Board members.

3.3 The Pension Board considers its work programme at each meeting taking into account the regular items it sees and what is planned for upcoming committee meetings and are able to request areas of focus to be added to the Board work plan. An example of this working is the request of Board in 2020 to see a regular paper on employer contributions to have transparency on late payments by employers; this report is now a standing item for Board as part of the employer engagement report.

4. Actions

4.1 The Pension Board has supported the Pension Committee with its review and oversight of the disaggregation of ESPF from the Orbis partnership. This has seen ESPF administration services become an in-house operation providing more control to the ESPF to manage its operations and ensure transparency of quality of service provided to the ESPF members. Going forward the Pension Board will continue to work with the Administration Team to develop an updated approach to measuring service standards for the Fund.

4.2 The Board has also been a strong advocate, alongside the Committee, for the Good Governance project which completed in November 2020. Throughout this the Pension Board supported requests for extending the staffing budget at the Fund, which resulted in the number of officers increasing substantially to reflect the workload and responsibility of the Pension Fund across four work streams of Governance, Employer Engagement, Administration and Accounts and Investments. The changes made have led to significant improvements in the overall governance of the Fund and further improvements are in hand.

4.3 At its quarterly meetings members of the Pension Board have reviewed new policies and procedures being developed. This has ensured that the approach being taken by the Administering Authority is consistent with the recommendations made as part of the Scheme Advisory Board's good governance project along with statutory and regulatory requirements.

4.4 The independent chair represented the Board at the Employer forum in November 2020 with an overview of the work of the Board, updating the employers of the Fund on the key data quality work that has been achieved through the data improvement working group projects and implementation of the new administration strategy.

5. Training

5.1 In the past year members of the Pension Board took part in a survey conducted by Hymans Robertson to help understand their level of knowledge and understanding. The report received is broken down into the key areas, such as administration, and also measures the Pension Board against its peers in the other Funds that took part. This survey identified that particular focus should be given to pension administration and actuarial methods. It also showed that the ESPF's Pension Board members' knowledge and understanding scored 6th highest out of the 21 boards that took part.

5.2 Since the Hymans report was produced there has been a change of membership of the Pension Board. The Chair of the Pension Board is currently working with the Fund's Training Co-ordinator to develop a new method of tracking individual Pension Board member's knowledge and understanding which will allow for a more in-depth analysis of areas of focus.

5.3 When the new members of the Pension Committee were appointed members of the Pension Board were invited to attend the induction session, which included an introduction to the role of the Fund's lawyer, actuary and investment consultant.

5.4 All Board members are working towards ensuring they have completed the Pension Regulators Toolkit modules and will shortly be invited to carry out a self-assessment on their training needs.

5.5 Members of the Pension Board have attended a range of webinars covering topics ranging from governance to investment. In addition, Board members have attended training provided in house on McCloud, Covenant strength and outsourcing implications for employers within the LGPS. Members of the board regularly attend the Chartered Institute of Public Finance and Accountancy (CIPFA) Pension Board member seminars that are run in the Spring and Autumn to update on all key regulatory changes and areas the Board may wish to ask questions on of their Funds.

Ray Martin Chair of ESPF Local Pension Board

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