

Report to: Pension Board

Date of meeting: 27 May 2022

By: Local Pension Board

Title: Report of Pension Board to Pension Committee

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

RECOMMENDATIONS: The Pension Board is recommended to:

- 1) Consider and discuss the report covering the work completed in year for reporting to Pension Committee.**
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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 over the past year has been

Employer Representatives

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

Member Representatives

- Lynda Walker – UNISON
- Niki Palermo – GMB
- Diana Pogson – Pensioners’ representative (until December 2021)
- Neil Simpson – Pensioners’ representative (from March 2022)

Independent Chair

- Ray Martin

2.2 Following the Local Elections of 5 May 2021, the employer representative nominated by the Borough and District Councils, Councillor Collier, was elected to East Sussex County Council and stood down from the Pension Board. Borough and District Councils were invited to nominate candidates to fill the vacancy. Cllr. Toby Illingworth was appointed by the Governance Committee in July 2021.

2.3 Diana Pogson stepped down at the end of her term on the Pension Board and decided she did not wish to be considered for a new term. All Pensioner members were asked if they wished to be considered for the vacant position and after an extensive process, detailed in Board and Committee papers for the

February 2022 meetings, Neil Simpson was appointed by the Governance Committee. His first Pension Board meeting was on 27 May 2022.

2.4 Attendance at meetings has generally been good since the last report to the Committee and all meetings have been quorate. Attendance at meetings is detailed on the table below. Neil Simpson was appointed after the last meeting of 2021/22, so attendance is not included in the table.

	1 June 2021	14 September 2021	5 November 2021	10 February 2022
Stephen Osborn	Y	Y	Y	Y
Cllr. Tom Druitt	Y	N	Y	Y
Cllr. Chris Collier	N			
Cllr. Toby Illingworth		Y	Y	Y
Lynda Walker	Y	Y	N	Y
Niki Palermo	Y	Y	N	Y
Diana Pogson	Y	Y	Y	
Ray Martin	Y	Y	Y	Y

3. Work of the Pensions Board

3.1 Meetings are held shortly (no less than 2 weeks) 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 Administration 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. This year the Pension Board members have, amongst other things, driven forward the work and thought into Communications of the Pension Fund to all stakeholders; provided input to the ACCESS Investment Pool about how it could improve its governance standards with member representation and driven consideration as to whether the Pension Board is an appropriate size.

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 is a request from the Pension Board for Officers to research approaches taken in relation to the size of Pension Boards at other funds in the LGPS, along with the potential advantages and disadvantages of increasing the number of Pension Board members. Such actions demonstrate a commitment to improving governance standards.

4. Actions

4.1 Since the last Pension Board report in September 2021, members of the Pension Board have supported Officers and the Pension Committee by collaborating in the production of a letter to an Employer that has consistently fallen short of expected standards. This letter was sent to the Employer's most senior officer to reinforce the message provided by Officers that improvements must be made to the provision of data to the Fund or consequences will be applied in line with the Pension Administration Strategy.

4.2 The Board has reviewed and approved new Terms of Reference for the Administration Working Group and the Communications Working Group. This took into account the setting up of the Communications Working Group and that the Working Group that pre-existed the Administration Working Group (the Data Improvement Working Group) had fulfilled its purpose and was in need of a change of emphasis to stay relevant to the operation of the Fund.

4.3 Members of the Pension Board have consistently provided input into the approach taken in relation to breaches of law. This has led to Officers being supported reporting an Employer to The Pensions Regulator for providing incorrect data. The support extended to providing input on how matters could be put right.

4.4 Due to the focus on communications and employer engagement by the Board the work on contributions monitoring and collection of funds has continued to improve over the year and the Boards focus has been a key driver in getting more than half of the Fund employers onto i-connect to enable monthly data provision, meaning members data is much more robust and year end processes will be simplified for those employers and the pensions team.

5. Training

5.1 In the past year the Pension Board, along with members of the Pension Committee, have been offered a range of training opportunities. Additionally details of reading material and relevant podcasts have been provided.

5.2 Since the last report, Pension Board members have attended the Employers' forum; the PLSA Annual Conference and training on the forthcoming Valuation. Additionally, Pension Board members attended training on climate change and the Task Force on Climate Related Financial Disclosures.

5.3 In the February 2022 meeting, the Pension Board discussed obtaining licenses for an online training service provided by Hymans Robertson. The Board decided that it did not want to take up this opportunity and instead asked of a cheaper alternative to be explored.

6. Structure of the Pension Board

6.1 The Pension Board is currently considering whether its structure could be improved. It has asked Officers to provide a paper, which will be presented to the Pension Committee in the June 2022 meeting, looking at the approaches being taken across the market.

6.2 The consideration of the Pension Board's structure is part of an ongoing commitment to ensure the Pension Board is operating as effectively as possible and in the best position it can be to fulfil its role of supporting the Pension Committee.

Ray Martin
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