

Report to: Pension Board

Date of meeting: 9 September 2022

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 note this report

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 the Fund's policy for comment and noting.

2 Pension Board membership

2.1 In April 2023, the terms for three members of the Pension Board (Stephen Osborn, Lynda Walker and Niki Palermo) are due to come to an end and Officers will soon commence planning for the appointment process. Additionally, the Chair of the Pension Board's term also expires at the same point which will require a tender process to be completed.

2.2 District and Unitary council local elections in May 2023 may further impact on Pension Board membership during the year.

2.3 All members of the Pension Board who are coming towards the end of their terms will be asked to confirm with Officers whether they wish to be considered for re-appointment for a further 2 years. This is to help with the planning process and to allow steps to be taken to minimise the risk of vacancies arising that are not filled in time for the June 2023 meeting.

3 Changes in Legislation and Regulation

3.1 Since the last meeting of the Pension Board and Pension Committee more information has become available regarding the Pension Dashboard Project.

3.2 It has been announced that the Fund will now have until 30 September 2024 to meet its staging date. This allowance has been given to all Public Service Pension Schemes in order to give more time to take the McCloud remedy into consideration.

3.3 In July 2022 the Department for Work and Pensions (DWP) launched a consultation which suggested that Pension Schemes will be given 90 days' notice of when the Dashboard will be made available for use by the general public. A number of stakeholders have suggested the timeframe should be longer and Officers will update the Board once a final decision on this timeline is made by DWP. Officers are not concerned at this point about the Pension Dashboard Project.

4 Department for Levelling Up, Housing and Communities

4.1 The Rt Hon Greg Clark MP has been appointed as Secretary of State and Paul Scully MP has been appointed as the Minister of State in the Department. The Scheme Advisory Board has commented that the change in ministers and the election of a new Prime Minister may cause some delays in projects being run by the Department.

5 ACCESS

5.1 There were £35.2 billion of investments pooled within ACCESS at the end of March 2022, which equated to 59% of investments pooled across the participating authorities. This includes £23.9 billion in sub-funds and £11.2 billion in Pooled Passive investments. Of this, ESPF had £2.2 billion in active and £0.3 billion invested through the pool totalling 55% of Fund assets as pooled.

5.2 Following the decision at the Joint Committee (JC) on 7 March 2022, two observers from each Local Pension Board will be invited, on a rotational basis, to attend Joint Committee meetings as observers at least once each a year. The formal implementation of this change needs to be reflected in the signed Inter Authority Agreement (IAA) of all ACCESS funds, which is expected later in the year, so in the interim this will be introduced on an informal basis. The three authorities to be invited to the 12 September 2022 meeting are: Essex, Cambridgeshire and East Sussex. Ray Martin and Neil Simpson have been agreed as representatives for the Fund to attend as observers.

5.3 The ACCESS JC met on 6 June 2022, the agenda for the meeting is held in Appendix 1 to this report. The public report pack can be accessed via the Kent County Council website [Agenda for ACCESS Joint Committee on Monday, 6th June, 2022, 11.00 am](#)

5.4 At the June JC, the committee approved in principle the Responsible Investment Guidelines, these guidelines will be adopted and published following changes to the IAA.

5.5 Essex County Council Internal Audit team carried out an audit to investigate and assess whether the ACCESS Support Unit (ASU) is effectively fulfilling its responsibilities to the ACCESS pool and, by extension, give assurance that the Authority is fulfilling its responsibilities as Accountable Body for the ASU. The audit results were presented to the JC at the June meeting with an opinion of good assurance.

5.6 ACCESS have now revised the Governance manual which has been comprehensively updated and was approved by the S151 officer group. This manual is a working document and will continue to be updated.

6 Training

6.1 Pension Board and Committee members have been sent a copy of this year's knowledge self-assessment to complete. This will be used to inform the training plan for next year. It is of note that a recent internal audit identified that not all Board and Committee members completed the self-assessment last year resulting in a recommendation to the Fund, members of both the Board and Committee will be reminded of the requirements within the approved Training Strategy to comply with the knowledge and skills assessment and training requirements.

7 Conclusion

7.1 The Board is recommended to note this report.

IAN GUTSELL
Chief Finance Officer

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