

Report to: Pension Committee

Date of meeting: 19 June 2025

By: Chief Finance Officer

Title: Governance Report

Purpose: To provide an update on governance workstreams and changes affecting Local Government Pension Schemes and the East Sussex Pension Fund

RECOMMENDATION:

The Pension Committee is recommended to:

- (1) Delegate authority to the Chief Finance Officer in consultation with the Chair of the Pension Committee to finalise and submit on behalf of the East Sussex Pension Fund a response to the Government Consultation ‘Local Government Pension Scheme in England and Wales: Access and fairness’;**
 - (2) Agree the revised full privacy notice (as set out in Appendix 3) and the template summary privacy notice (as set out in Appendix 4) be adopted and used by the East Sussex Pension Fund;**
-

1 Background

1.1 This report is brought to the Pension Committee 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).

2 Legal and regulatory changes

2.1 A letter issued by the Ministry of Housing, Communities and Local Government (MHCLG) on 10 March 2025 (Appendix 1), set out plans to consult on changes to the LGPS Regulations 2013, regarding the application of regulation 64A. This relates to mid-valuation cycle changes to employer contribution rates. The letter confirms the Government view of when the provisions of regulation 64A may be appropriately used; namely, in response to changes in an employer’s liabilities or its ability to meet its obligations. Government makes clear it was not intended for use in order to manage surpluses or deficits.

2.2 At its meeting on 13 February 2025, the Board were informed that on 15 January 2025 the Scheme Advisory Board (SAB) published the updated opinion of Nigel Giffin KC, titled ‘Local Government Pension Scheme: Investments and Non-Financial Considerations’. On 16 April 2025, the SAB Secretariat published a summary note of the opinion (Appendix 2). The summary note represents the views of the Secretariat based on their current understanding of the law and policy only. It should not be treated as a complete and authoritative statement of the law, and readers may wish, or will need, to take their own legal advice on the interpretation of any particular piece of legislation quoted. For clarity, the summary has not been drafted nor endorsed by Nigel Giffin KC.

2.3 On 15 May 2025 Government launched a consultation titled [‘Local Government Pension Scheme in England and Wales: Access and fairness’](#). The consultation relates to a range of proposals including the gender pensions gap, forfeiture concerns, and opt out rates. The consultation will remain open for 12 weeks, closing on 7 August 2025. As the consultation closes before the next Pension Committee meeting in September, it is recommended that the Pension Committee delegates authority to the Chief Finance Officer, in consultation with the Chair of the

Pension Committee, to agree the final response for submission on behalf of the Fund. If agreed, officers will prepare a draft response which will be shared with the Chairs of the Pension Board and Pension Committee for comment prior to finalising the response.

2.4 On 5 June 2025 Government published the new [Pension Schemes Bill](#). Government have also published [Workplace Pensions: a roadmap](#) to be considered alongside the Bill itself. The Bill specifically references the LGPS in the context of reforms to asset pools.

3 Pension Board Vacancy

3.1 Following Nigel Manvell's retirement from Brighton & Hove City Council, as required by the Constitution and terms of reference of the East Sussex Pension Board, his appointment as an employer representative on the Board also ceased.

3.2 The 'Local Government Pension Scheme (LGPS) Guidance on the creation and operation of Local Pension Boards in England and Wales' requires that all employers within a Fund must have equal opportunity to be nominated for the role of employer or member representative through an open and transparent process. All Fund employers were contacted in April 2025 and asked to provide expressions of interest to be considered for the vacant position. The Fund received only 2 expressions of interest by the deadline of 9 May 2025.

3.3 At the time of writing, officers are in the process of inviting each of the 2 candidates to attend a meeting with the Pension Board Chair and officers. Following the meetings a recommendation will be made to the East Sussex County Council Governance Committee regarding who should be appointed and the length of their term. The Governance Committee is the body which has the authority to make appointments to the Pension Board.

4. Register of Interests

4.1 Consistent with the guidance provided within The Pensions Regulator General Code and the commitments made by the Pension Board at its meeting in June 2024, Board members are required to complete an annual review of their register of interests. This process is managed by the Council's Democratic Services team to ensure there is an audit trail of the reviews being carried out and completed, and that the register of interests is published. Board Members are also required to update their register of interests within 28 days of becoming aware of any change to their interests. Publication and regular review of Board Members' register of interests improves the transparency of the Pension Board and further illustrates good governance.

5 Pension Fund Policies and Statements

5.1 At the request of the Local Government Association Pensions Teams, Eversheds Sutherland conducted a general review of both the template full privacy notice and the template summary privacy notice. These templates are provided to administering authorities for use. The review made few significant changes, other than those added to take account of the McCloud remedy. Accordingly, the Fund has updated both the full privacy notice (Appendix 3) and the template summary privacy notice (Appendix 4) in use to reflect the amendments made. The Pension Committee are asked to agree that these privacy notices be adopted and used by the East Sussex Pension Fund moving forward.

5.2 A revised version of the Fund's Governance and Compliance Statement was initially scheduled to be presented to the Pension Committee for consideration in June 2025. However, in light of the significant upcoming governance changes (as set out in a previous report on the agenda), this has been deferred to September 2025.

6 Interim Valuation Update

6.1 The Fund Actuary has prepared the indicative quarterly funding update as at 31 March 2025, rolling forward assumptions from the valuation and reflecting actual experience since March 2022; this is set out in Appendix 5. The indicative funding report shows a funding position increase over the last quarter, from 122.4% in December 2024 to 123.9% in March 2025. This represents a small increase on the funding position in March 2022 (22.8%).

7 Conclusion

7.1 The Government are currently consulting on a proposals relating to the gender pensions gap, forfeiture concerns, and opt out rates through the 'Local Government Pension Scheme in England and Wales: Access and fairness' consultation. So that the views of the Fund can be considered as part of this consultation, the Pension Committee is recommended to delegate authority to the Chief Finance Officer in consultation with the Chair of the Pension Committee to finalise and submit a response to the consultation on behalf of the East Sussex Pension Fund.

7.2 The Fund's privacy notices have been updated in light of a review carried out by external legal advisors, Eversheds Sutherland. The revised notices are set out in Appendices 3 and 4. The Pension Committee are recommended to agree that these updated privacy notices are adopted and used by the Fund.

IAN GUTSELL
Chief Finance Officer

Contact Officer: Susan Greenwood, Head of Pensions
Email: Susan.Greenwood@eastsussex.gov.uk