

Report to: Pension Committee

Date of meeting: 16 November 2023

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 Committee is recommended to:

- 1) note this report**
-

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 Pension Board membership

2.1 In September 2023 the Governance Committee agreed an Officer recommendation that Trevor Redmond be appointed to the Pension Board. Trevor Redmond has been appointed as a member representative, filling the vacancy left by Lynda Walker's resignation. Trevor was nominated by Unison to sit on the Board and met with the Chair of the Board and the Fund's Governance and Compliance manager prior to the recommendation being made to Governance Committee. There are no vacancies remaining on the Pension Board.

2.2 The Governance Committee also approved Councillor Andrew Wilson and Neil Simpson's appointment to Vice Chairs of the Pension Board.

3 McCloud

3.1 In September 2023 the Government laid new Regulations before Parliament on the McCloud remedy. HM Government's policy is unchanged from its earlier position as stated in the consultation reported to the Pension Board and Committee in early September 2023.

3.2 The new Regulations, and consultation response, make reference to a range of both statutory and non-statutory guidance which is expected in due course at time of writing. The Regulations went into force on 1 October 2023 and Officers do not expect a material impact on current workloads at this time, unless manual calculations are required while there is no data in the system. As the required guidance and actuarial factors did not exist at the time the legislation came into force, processing transfers for members affected by the McCloud remedy was put on hold at the recommendation of the LGA.

3.3 Officers continue to liaise with employers to gather accurate data needed in order to calculate any changes to benefits in accordance with the new Regulations.

3.4 Officers have met with the Fund's software provider to discuss the initial data. Questions have been raised regarding the data provided to the Fund and there is an expectation that active member data will not be ready for some months. Officers will work with the software provider to

enable calculations to be carried out accurately using the system when data is complete, reducing the need for manual intervention.

4 Award winning

4.1 The Fund won the 2023 award for best LGPS Governance, at the LAPF investment awards. This award is testament to the hard work and dedication shown by the team. Governance is about having a clear purpose and strategy, the right skills and experience available, managing risks and conflicts of interest, and making sure the pension scheme provides value for members. To win the award, the Fund had to provide evidence that demonstrated how it had performed against four distinctive areas; the fourth area being how the Pension Board assists the governance of the Fund.

5 Conclusion

5.1 The Committee is asked to note this report.

IAN GUTSELL
Chief Finance Officer

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