

Approved By Pensions Committee April 2025

# Governance Policy and Compliance Statement

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# INTRODUCTION

This is the Governance Policy and Governance Compliance Statement for the West Sussex Local Government Pension Scheme as required under [Clause 55 of the Local Government Pension Scheme Regulations 2013](#).

The LGPS is one of the largest public sector pension schemes in the UK. It is a nationwide pension scheme with 5 million members across over 10,000 employers. The LGPS in England and Wales is administered locally through 90 local pension funds. The scheme regulations are made under the Superannuation Act 1972 and the Public Service Pension Schemes Act 2013. Changes to scheme rules are discussed at national level by employee and employer representatives but can only be amended with the approval of Parliament.

West Sussex County Council is the Administering Authority responsible for maintaining and managing the West Sussex Pension Fund on behalf of its stakeholders: the scheme members and employers participating in the Fund.

The Administering Authority can determine its own governance arrangements. However, it must publish how functions related to maintaining the fund are delegated including the frequency of meetings, terms of reference and details of representation and voting rights. In addition, Administering Authorities are required to report the extent of compliance against best practice governance principles outlined in statutory guidance. This policy statement provides the required information.

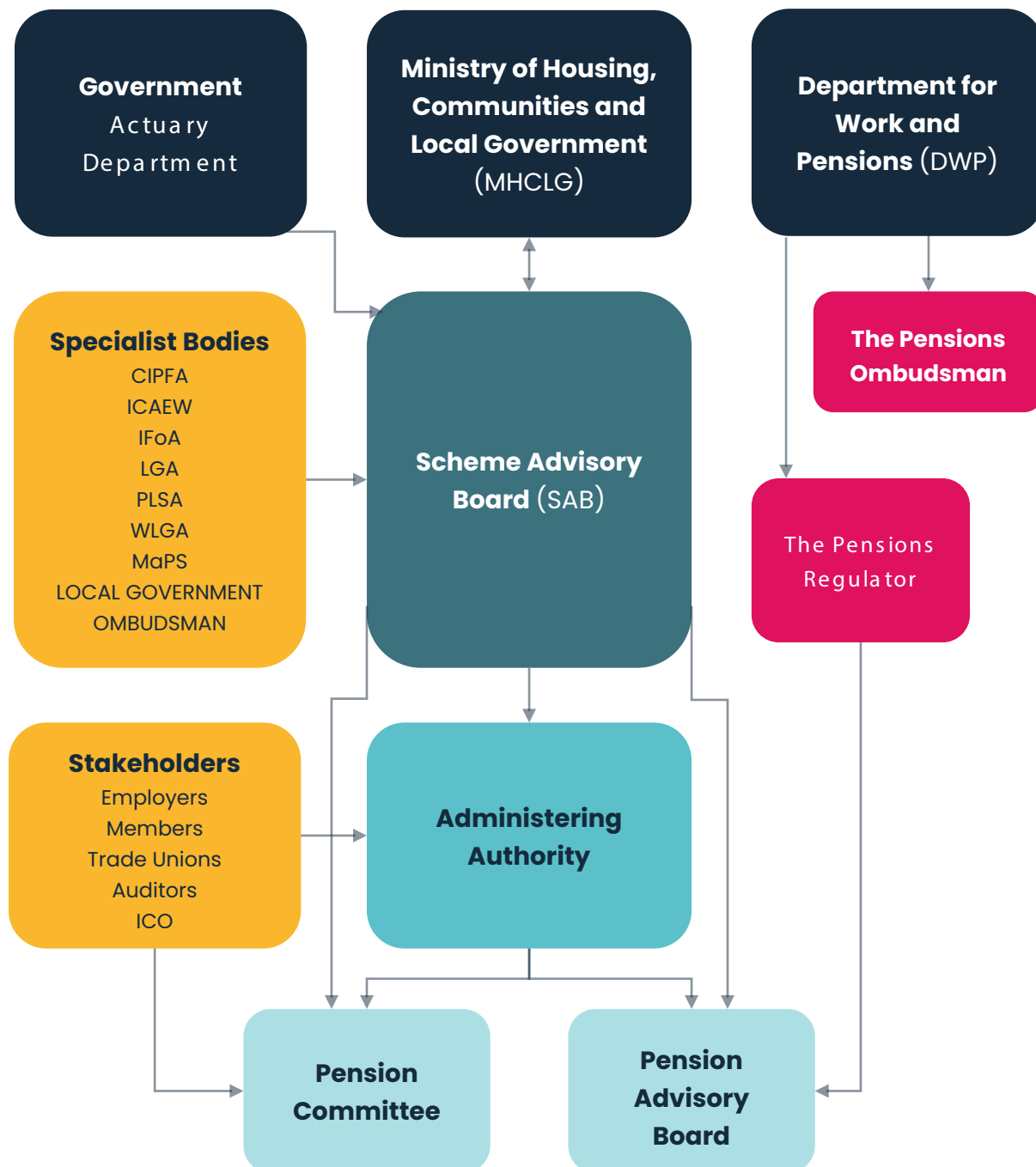
This statement sets out the governance that is in place for the Council's Administering Authority responsibilities only. West Sussex County Council is also an Employer in the West Sussex Pension Fund. A separate governance structure and scheme of delegation is in place related to the Council's employer pension responsibilities.

The Statement was last reviewed in April 2022. The Statement is published on the Pension Fund's website.

Where additional information is available, a [hyperlink](#) has been included within the text.

# NATIONAL FRAMEWORK

There are a number of parties who have a role in governance of the LGPS nationally.



- **Ministry of Housing, Communities and Local Government (MHCLG):** MHCLG is a ministerial department responsible for housing, communities and local government, and the Local Government Pension Scheme (LGPS). Under the Public Services Pensions Act 2013 each pension scheme covered by this legislation must have a 'Responsible Authority' the individual responsible for making regulations for that scheme. For the LGPS, the role (Responsible Authority) is held by the Secretary of State for Housing, Communities and Local Government.
- **Government Actuary Department (GAD):** The GAD provide actuarial solutions including financial risk analysis, modelling and advice to support the UK public sector. Each LGPS triennial valuation is assessed by the GAD against the four criteria set out in the Public Services Pensions Act 2013 (compliance, consistency, solvency and long-term cost efficiency). Findings and recommendations are reported to Funds and the Scheme Advisory Board.
- **Department for Work and Pensions (DWP):** The DWP is responsible for welfare, pensions and child maintenance policy. It administers the State Pension as well as a range of benefits. It also sponsors The Pensions Regulator and the Pension Ombudsman as independent bodies. These organisations support the DWP's objectives of delivering a high-quality, efficient service while ensuring regulation and dispute resolution in pension matters.
- **Scheme Advisory Board (SAB):** The SAB is responsible for providing advice to the Secretary of State, at the authority's request, on the benefit of changes to the LGPS. The Secretary of State must consider any advice carefully when making decisions. Statutory duties, under the regulations, include introducing and maintaining a process to manage costs. The SAB also advises pension committees and pension boards on how to implement regulation changes.
- **The Pensions Regulator (TPR):** TPR oversees aspects of both the governance and the administration of public service pension schemes. This includes knowledge and understanding required by pension board members, conflicts of interest and representation and reporting breaches of the law. The powers of TPR has certain enforcement powers, but these don't include areas such as the funding and investment of Funds.
- **The Pension Ombudsman:** The Pensions Ombudsman was established in April 1991 by Act of Parliament. The Ombudsman impartially investigates complaints from members of pension schemes or their beneficiaries, employers or trustees.

# ABOUT THE WEST SUSSEX PENSION FUND

West Sussex County Council is required to maintain a pension fund ('the Fund') for its employees and those of other Scheme Employers within its area. West Sussex County Council administers the Fund for its own employees and those of the seven District and Borough Councils and over 200 separate employers participating in the Fund. The Fund does not provide pensions for teachers, firefighters or police officers, who are in separate arrangements. The Fund does, however, provide pensions for administrative and support staff for these organisations.

The role of the County Council's Pensions Committee is to fulfil, for the County Council, in relation to the Fund, a fiduciary duty owed to scheme members and employers. Committee members act as quasi-trustees when receiving advice and making decisions on pension fund matters, including the investment strategy. Each member of the Committee must serve the interests of both Fund members and employers.

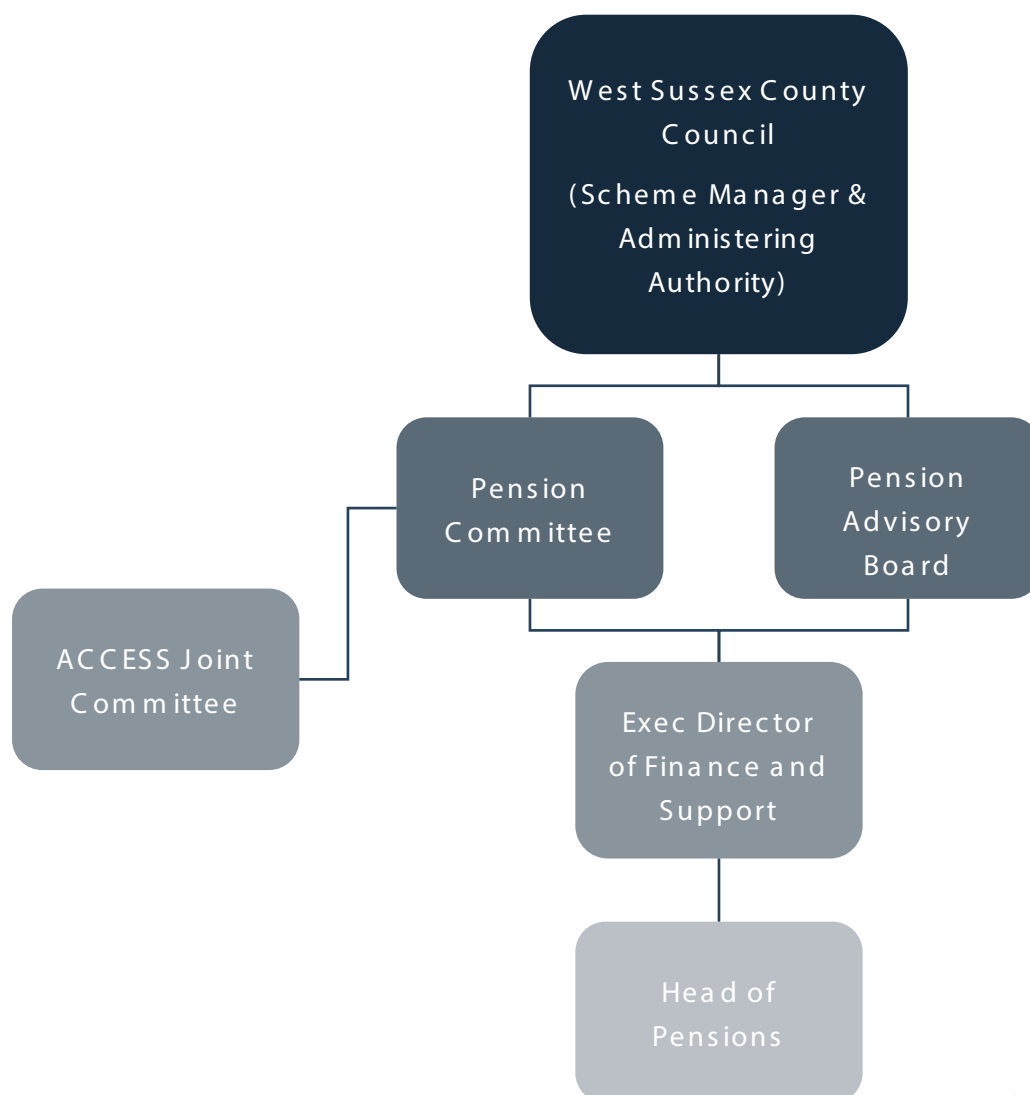
Decisions must be taken in agreement with public law obligations, including the obligations of reasonableness, rationality, objectivity and impartiality.

The Pensions Committee is responsible for pension scheme administration on behalf of all scheme employers. The responsibilities of individual scheme employers, including the County Council, are dealt with through separate governance arrangements, which are specific to each employer.

# The Administering Authority

The County Council, in its role as Administering Authority, is responsible for managing and administering the LGPS on behalf of its members and employers. It can delegate that function to a committee and can decide on the number of members of that committee, their terms of office and the committee's terms of reference. The County Council may therefore be referred to as the Scheme Manager.

Management of the pension fund is a non-executive function, which means that, by law, it cannot be the responsibility of the council's cabinet or executive members. The Council's constitution provides for the functions of the Administering Authority to be discharged by the Pensions Committee and by specified senior officers. This is reflected in the West Sussex governance structure that is set out below. Further details can be found in the [West Sussex Constitution](#).





# The Role of Officers

Senior officers of West Sussex County Council have been given specific responsibilities to discharge the Council's pension duties. These responsibilities are outlined in the Council's Scheme of Delegation, which specifies how senior officers make decisions and manage the day-to-day running of the Pension Fund on behalf of the Council.

Under the Council's Constitution both the Executive Director of Finance and Support Services and the Executive Director of Law Assurance and Insight are responsible for managing the scheme operationally and advising the Council in its role as Scheme Manager for the LGPS.

The Executive Director of Finance and Support Services has specific duties in the LGPS Administering Authority role which are set out in Part 3 of the Council's Constitution (Section No. 258 to 268) and summarised below:

- Taking any necessary action between the Pensions Committee meetings to implement the policy determined by the Committee in consultation with the Committee chairman.
- Admitting eligible employers with scheduled status (under the LGPS rules) to the West Sussex County Council Pension Fund where the County Council has no discretion to refuse admission.
- Considering and deciding on requests for admission to the West Sussex County Council Pension Fund by admission bodies that meet the regulations defined in the LGPS.
- Deciding whether to end an admission agreement and the management of exiting employers.
- Managing routine matters under the relevant pension regulations

The Executive Director of Law Assurance and Insight is also responsible for hearing and resolving pension appeals or disputes set out in Part 3 of the Council's Constitution.

The Executive Directors of Finance and Support Services and of Law, Assurance and Insight also have specific responsibilities under the scheme of delegation that relate to the County Council's role as an employer in the Pension Fund.

If a decision is needed where the County Council acts both as employer and as scheme administrator, the roles are kept separate. In these cases, the Executive Director of Finance and Support Services will make the decision on behalf of the scheme administrator. The Chief Executive, or another senior officer chosen by the Chief Executive will make the decision on behalf of the employer.

The County Council has determined that the senior officer for the Pension Fund is the Head of Pensions. This role has overall delegated responsibility for the



management, strategy and administration of the fund. The Head of Pensions role includes but is not limited to

- providing advice to the Pension Committee and Pension Advisory Board
- developing the fund's strategic approach to funding, investment, administration, governance and communication
- ensuring that risk management arrangements effectively identify and manage risks
- ensuring the fund is organised and managed to deliver statutory responsibilities and regulatory compliance, and meet service level agreements including timely and accurate pension payments
- ensuring that the role of the pension fund and LGPS matters are understood and represented by the administering authority's senior leadership
- working with funds and the pool as appropriate

# Pensions Committee

Under the [County Council's Constitution \(Appendix 7\)](#) responsibility for the discharge of the Administering Authority responsibilities for the LGPS sits with the Pensions Committee. Therefore, the Pensions Committee is responsible for exercising the powers and duties of the County Council in its capacity as Administering Authority.

The Terms of Reference in the [Constitution](#) are:

- a) Appointment of professional and specialist investment advisers and managers on a consultancy basis.
- b) Consideration of the recommendations of the advisers and managers including the Fund's investment strategy.
- c) Determination of the Pension Fund's investment strategy and oversight of the delivery of the strategy.
- d) Consideration of and response to the recommendations of the ACCESS Joint Committee.
- e) Consideration of and response to key scheme governance, funding and administration issues, including responses to statutory consultations.
- f) Monitoring the Fund's performance.
- g) Ensuring that arrangements are in place for consultation and communication with stakeholders as necessary.
- h) Establishing member groups to review aspects of investment strategy or to undertake work on key themes and to report back to the Committee.
- i) Consideration of the work of the Regulation, Audit and Accounts Committee with regards to the Pension Fund accounts, internal and external auditors' reports, development and operation of risk management and approval of changes to anti-fraud and corruption strategy.
- j) To appoint a substitute representative for the ACCESS Joint Committee.
- k) Determination of all statutory policy documents as listed below and to consider from time to time those delegated to officers for review or amendment.
  - Policy matters for determination by the Committee:
    - Administering Authority Discretions
    - Funding Strategy Statement
    - Governance Policy and Compliance Statement
    - Investment Strategy Statement
    - Treasury Management Strategy Statement
  - Policy matters delegated to officers which are to be reviewed as required by the Committee:
    - Administration Strategy
    - Breaches policy

- Communications Policy
- Internal Dispute Resolution Procedure
- Privacy Notice

- l) To consider the Annual Report in connection with the administration of the scheme.
- m) To review and adjust delegations to officers within the functions delegated to the Committee.

Representatives on the Pensions Committee are not appointed to represent the organisation that nominated them or its interests. Their primary responsibility is to act in the best interests of employers, taxpayers, and scheme members.

This fiduciary duty must come before any other interests of the Administering Authority or the bodies represented on the Pensions Committee.

The Chairman of the Pensions Committee will be the Council's main representative on the ACCESS Joint Committee.

An independent Adviser is appointed by the Committee to support the Pensions Committee and they review investment activity, give advice on investment matters and offer a practical approach to address and control risk. The Independent Adviser attends all Pension Committee meetings.

The governance arrangements for the Committee are in the [Constitution](#) and summarised below:

Governance Requirement	Status
Frequency of meetings	Minimum four times per year.  The frequency of any member groups established to undertake work on key themes will be determined at the time based on the remit of the group.
Representatives of scheme employer and scheme members	Ten members, seven councillors from the County Council plus representatives from the larger employers (District/Borough Councils and Scheduled Bodies) and a scheme member representative. <sup>1</sup>

<sup>1</sup> It is not part of the Administering Authority's remit to administer the selection process for the representative members sitting on the Pensions Committee or to ensure their attendance at meetings, unless they wish to do so. Notwithstanding this as far as possible, employer representatives are expected where possible to have a democratic mandate in addition to the mandate from their appointing body or represented group.

Governance Requirement	Status
Voting rights	All representatives on the Pensions Committee are entitled to vote.
Arrangements to enable the discharge of functions	<p>Members are required to acquire and maintain an appropriate level of expertise, knowledge and skills as set out by the Chartered Institute of Public Finance and Accounting (CIPFA) in order to remain members of the Committee. Regular training and guidance are provided.</p> <p>Members of this Committee are required to undertake training as specified by the relevant Executive Director or lead service officer, prior to being able to take part in meetings of the Committee.</p> <p>The Committee can make decisions without reference to the full Council or Governance Committee.</p> <p>The Pension Fund's Business Plan sets out in more detail how the Terms of Reference are applied.</p>

## Pension Advisory Board

Under the Public Service Pensions Act 2013, all Administering Authorities have a Local Pension Board to assist the Scheme Manager in their compliance with the Pension Regulators Code of Practice on the governance and administration of public service pension schemes.

Under its Terms of Reference within the [County Council's Constitution](#) the Pension Advisory Board is responsible for assisting West Sussex County Council as Scheme Manager;

- a) To secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
- b) To secure compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
- c) In such other matters as the scheme regulations may specify.

The principal functions of the Pension Advisory Board in the Constitution are:

- a) Seeking assurance that due process is followed with regard to Pensions Committee decisions.
- b) Considering the integrity and soundness of Pensions Committee decision making processes.
- c) Seeking assurance that administration performance is in compliance with the Administration Strategy.
- d) Considering the effectiveness of communication with employers and members including the Communication Strategy.
- e) Considering and commenting on Internal Audit recommendations
- f) Consideration of External Auditor reports

Any complaint or allegation of breach of due process raised with the Pension Advisory Board will be dealt with in line with The Pension's Regulator's Code of Practice.

The governance arrangements of the Advisory Board are set out in the [Constitution](#) and summarised below:

Governance Requirement	Status
Frequency of meetings	Four times a year
Representatives of scheme employer and scheme members	Seven members comprising three employer representatives (to represent all employers within the Scheme), three scheme members representatives (to represent all members of the Scheme (active, deferred and pensioner)) and an independent person (to act as Chairman).
Voting rights	Employer and scheme member representatives can vote. The Independent Chairman cannot vote.
Other information	A member must attend at least two meetings per year.  Must comply with The Pension Regulator's Code of Practice.

## ACCESS Joint Committee

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of 11 Local Government Pension Schemes (LGPS) Administering Authorities.

Strategic oversight and scrutiny remain the responsibility of the Administering Authorities, along with all decisions about individual Fund asset allocations and the timing of asset transfers into the ACCESS Pool arrangements.

The Joint Committee (JC) in the ACCESS pool is made up of the 11 Chairmen of the pension committees of the 11 participating LGPS funds. The JC has been appointed by the 11 Administering Authorities under s102 of the Local Government Act 1972, to exercise specific functions relating to the pooling of LGPS assets. The JC's functions include the specification, procurement, recommendation of appointment of pool Operators (for active asset management) and pool-aligned asset providers (for passive asset management), to the Administering Authorities. The Joint Committee also reviews ongoing performance.

The Section 151 Officers of the ACCESS Authorities provide advice to the Joint Committee to ensure there is appropriate resource and support available to implement the Committee's decisions and to run the ACCESS Pool.

The JC is also supported by the Officer Working Group (OWG) and the ACCESS Support Unit (ASU).

The OWG includes officers identified by each of the ACCESS Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the JC.

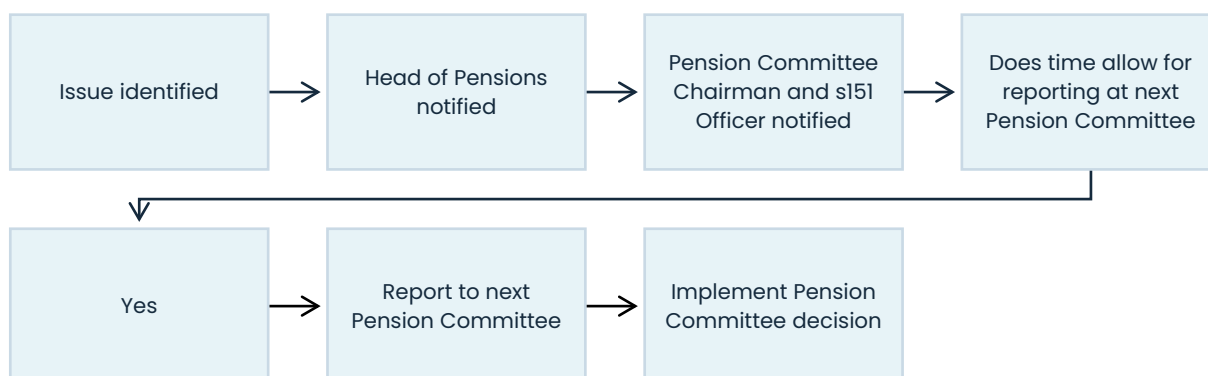
The ASU provides the day-to-day support for running the ACCESS Pool and has responsibility for programme management, contract management, administration, and technical support services. There are five full time ASU roles, hosted by Essex County Council. These roles are also supplemented with additional technical support from Officers within the ACCESS Authorities.



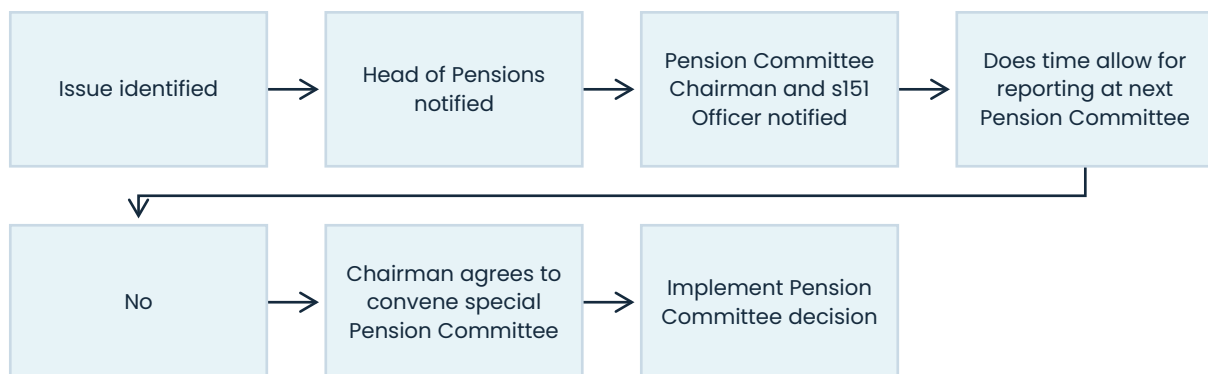
# Decision making

Most decisions that need to be made by the Pension Committee are scheduled in advance, giving members time to receive briefings and make informed decisions within the normal meeting cycle.

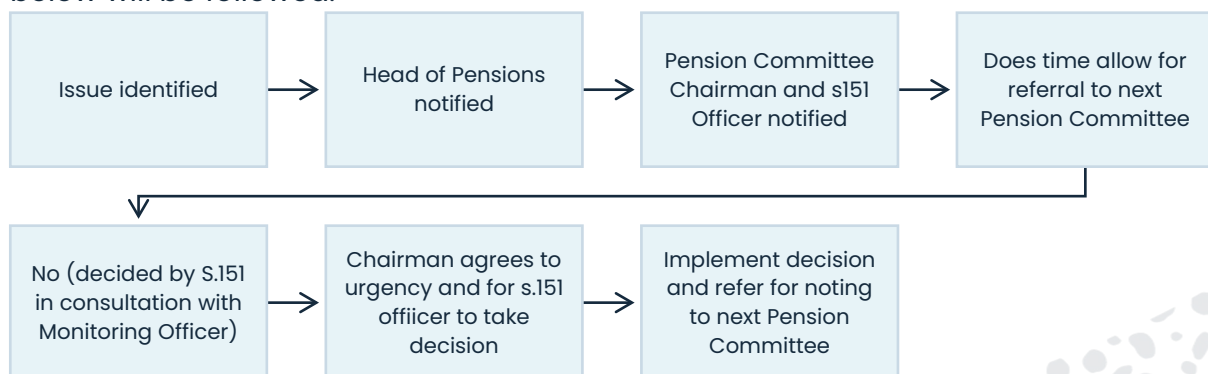
The process below is followed when there is enough time for a decision to be made at the next scheduled Pension Committee meeting.



To maintain good governance standards, the Pension Committee may sometimes need to respond to urgent matters by making decisions outside the normal committee cycle. In these cases, the following processes may be adopted.



When there isn't enough time to wait for the next scheduled meeting or to arrange a special Pensions Committee, the urgent decision-making process outlined below will be followed.



## Conflicts of interest

Administering Authorities of the Local Government Pension Scheme (LGPS) have both fiduciary and public law duties to act in the best interest of both the scheme beneficiaries and participating employers. However, those involved in managing or advising LGPS funds may also hold other roles that could lead to potential or actual conflicts of interest. These potential conflicts could include:

- Being an elected member of a participating employer
- Advising more than one LGPS fund
- Holding personal or pecuniary interests that might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.

To promote transparency and protect sound decision-making, it is considered good practice to clearly set out how any potential conflicts are identified and managed. The Conflict of Interest Policy of the West Sussex Pension Fund, which is managed and administered by West Sussex County Council (the Administering Authority) is included in Appendix A and is aimed at providing guidance to West Sussex Pension Committee (PC) Members, West Sussex Pension Advisory Board (PAB) Members, all officers in the West Sussex Pensions Team and the Executive Director of Finance and Support Services (Section 151 Officer), advisers and suppliers. The Policy also applies where Members of the PC and PAB and officers of the Fund act as a representative of the Fund on another board, committee, group or and body, including the ACCESS Joint Committee.

Individuals covered by the Conflict of Interest Policy must:

- identify any potential conflict of interest they may have;
- be open and transparent about any conflicting interests with the Administering Authority and any other body they represent.
- take practical steps to manage those conflicts; and
- plan ahead and agree with the Administering Authority how to deal with potential conflicts or the perception of conflicts.

The Head of Pensions will monitor potential conflicts for officers involved in the Fund and remind them of the Policy when appropriate. However, it is the responsibility of each individual to:

- identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties,
- declare and register those interests
- seek advice where needed
- withdraw from meetings if advised to do so, or if required under the policy

# Constitutional variations for the Pension Fund

West Sussex County Council is required by law to have and keep an up-to-date Constitution. This explains how the County Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to residents and service users.

The Council Constitution applies to the Pension Fund and impacts the governance of the Fund. However, management of the pension fund is a non-executive function, which means that, by law, it cannot be the responsibility of the council's cabinet or executive members.

When the Council is acting as Administering Authority for the Pension Fund, the County Council's Standing Orders must be followed by the Pensions Committee or amended by the Council as appropriate.

Where required for the administration of the Pension Fund, any powers will be carried out by the Pensions Committee or by an officer with delegated authority. The Pensions Committee can choose to retain authority, or, it can delegate certain tasks (potentially within certain thresholds) to a designated officer or officers, if necessary, in consultation with the Chairman of the Committee. They should, as far as possible, however, align with Standing Orders.

Set out below are the occasions, where the Fund deviates from the rules of the Constitution that generally apply or where there is a specific approach identified:

Requirement	Pension Fund Approach
The Common Seal of the County Council can only be affixed once the sealing has been authorised.	In the case of documents required for the exchange purchase or sale of Pension Fund assets, securities or other matters, by the Executive Director of Finance and Support Services or the Executive Director of Law, Assurance and Insight acting in accordance with the decisions and policies of the Pensions Committee.

Requirement	Pension Fund Approach
<p>A Key Decision is an executive decision to be published in the Forward Plan being one which is likely</p> <ul style="list-style-type: none"> <li>to result in the Council incurring expenditure which is greater than £500,000 or which is otherwise significant having regard to the Council's budget for the service or function to which the decision relates; or</li> <li>to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in West Sussex.</li> </ul>	<p>Pension Fund spending decisions do not relate to spending the County Council's money and do not cover executive powers therefore the notion of Key Decision does not apply.</p> <p>The Forward Plan for Key Decisions covers proposals for spending County Council resources and the Pension Fund falls outside this. Spending decisions for the Pension Fund are not required to be included in the Forward Plan.</p>
<p>Financial Regulations</p>	<p>In so far as is required in connection with the administration of the Pension Fund, the powers allocated to the Cabinet Member Finance and Property will be discharged by the Pensions Committee.</p> <p>The Pensions Committee can choose to retain the discharge of those functions in full or it can delegate specified functions (potentially within certain thresholds) to a relevant officer or officers, if preferred, in consultation with the Chairman of the Committee.</p> <p>They should as far as possible, however, align with the Financial Regulations adopted by the County Council.</p>

# TRAINING STRATEGY

The Pension Fund maintains a training strategy to aid Pension Committee and Pension Advisory Board members and senior Fund Officers in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities.

Although the current legal requirements in relation to the Pension Advisory Board are more stringent than any obligations enforceable on Pension Committee members or Officers, the expectation is that the same knowledge and understanding requirements should apply. Therefore this strategy applies equally.

This training strategy has been prepared with regard to The Pension Regulators Code of Practice (Appendix B, Annex i), the knowledge and skills framework developed by CIPFA (Appendix B, Annex ii) and guidance issued by the Scheme Advisory Board (Appendix C, Annex iii).

## Background

It is appropriate for the Pension Fund to establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support Pension Advisory Board, Pension Committee and Officers. The responsibility for ensuring that a framework is developed and implemented is ultimately the Scheme Manager, supported by the Head of Pensions

Notwithstanding the above, it is ultimately the members' responsibility to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their function as a member of the Committee or Board.

It is also a requirement that to maintain the Fund's professional investor status under MiFID II that all Committee members attend regular training events and conferences, ensuring their investment knowledge is up to date.

The Pensions Regulators (TPR) code of practice also contains requirements relating to the knowledge and understanding of public service pension schemes. It is expected that governing bodies of these schemes can demonstrate that they possess the skills, knowledge and experience to run the scheme effectively.

# Strategy Objectives

The West Sussex Pension Fund's objectives relating to knowledge and skills are to:

- Ensure that the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Ensure the Pension Fund is effectively governed and administered; and
- Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government.

To assist in achieving these objectives, the Pension Fund will aim for full compliance with the areas of knowledge and understanding set out by the Pensions Regulator in their Code of Practice and the CIPFA Knowledge and Skills Framework. Attention will also be given to the guidance issued by the Scheme Advisory Board and guidance issued by the Secretary of State. Members of the Pension Committee, members of the Pension Advisory Board and Officers require a knowledge and understanding of:

- The **RELEVANT PENSIONS LEGISLATION** and guidance including LGPS Regulations and any other regulations governing the LGPS;
- Public Sector **GOVERNANCE** including responsibilities delegated by West Sussex County, the roles and responsibilities and duties of the scheme manager and other committees and effective decisions in the management of the Pension Fund including risk assessments / management and risk registers.
- The fundamental requirements relating to **FINANCIAL MARKETS AND PENSION FUND INVESTMENTS** including investment performance, risk management and the Investment Strategy Statement;
- The **OPERATION AND ADMINISTRATION** of the Pension Fund including any document recording policy / scheme-approved policy about the administration of the Pension Fund, communications and Pensions Accounting and Auditing Standards;
- **ACTUARIAL METHODS, STANDARDS AND PRACTICES** and controlling and monitoring the funding level including the Funding Strategy Statement; and
- Pensions Services **PROCUREMENT AND RELATIONSHIP MANAGEMENT**;
- Such other matters as may be prescribed.

To support this, members of the Pension Committee, members of the Pension Advisory Board and Officers will:

- Have their knowledge measured and assessed;
- Receive appropriate training to fill any knowledge gaps identified; and



- Seek to maintain their knowledge and advise areas they wish to acquire training in.

Further details on how this will be achieved are set out in the next section (Delivery of Training).

Given the importance of the roles of Chairman of the Pension Committee and Chairman of the Pension Advisory Board in leading and shaping the direction of their respective bodies, it is expected that they will both be able to demonstrate an additional level of knowledge and skills to that required by the other members of the Pension Committee and Pension Advisory Board.

## How the strategy meets West Sussex Pension Fund objectives

The strategy meets the following objectives of the West Sussex Pension Fund as set out in the Business Plan

- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance;
- Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers;
- Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment;
- Continually monitor and measure clearly articulated objectives through business planning; and
- Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.



# Delivery of Training

## Training Plans and Resources

To be effective, training must be recognised as a continual process and will be centred on three key points

- The individual;
- The general pensions environment;
- Coping with change and current talking points.

All members and officers should commit sufficient time in their learning and development and be aware of their responsibilities immediately when they take up their position.

Members of the Pension Committee, members of the Pension Advisory Board and Officers will have their knowledge measured and assessed via a questionnaire.

Training plans will be developed by officers following a review of the above assessments to ensure as far as possible individual members receive appropriate training to fill any knowledge gaps identified. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, key events (e.g. the triennial valuation) and receipt of updated guidance. It is recognised that a rigid training plan can be detrimental. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.

Members of the Pensions Committee, Pension Advisory Board and Officers will be expected to maintain their knowledge through continuing attendance at training events, reading material and conferences as appropriate.

Consideration will be given to various training resources available in delivering training to the Pension Committee, members of the Pension Advisory Board and officers.

All members of the Pension Committee and the Pension Advisory Board Members of this Committee are required to undertake training as specified by the relevant Executive Director or lead service officer, prior to being able to take part in meetings of the Committee.

Delivery	Commentary
Induction Training	This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles.
LGPS Online Learning Academy (LOLA)	Online tool with modules covering <ul style="list-style-type: none"> <li>• Committee role and pensions legislation</li> <li>• Pensions governance</li> <li>• Pensions administration</li> <li>• Pensions accounting and audit standards</li> <li>• Procurement and relationship management</li> <li>• Financial markets and product knowledge</li> <li>• Actuarial methods, standards and practices</li> </ul>
The Pension Regulator Public Sector Toolkit	Online tool with modules covering <ul style="list-style-type: none"> <li>• Conflicts of interests;</li> <li>• Managing risk and internal controls;</li> <li>• Maintaining accurate member data;</li> <li>• Maintaining member contributions;</li> <li>• Providing information to members and others;</li> <li>• Resolving internal disputes;</li> <li>• Reporting breaches of the law:</li> <li>• Pension scams.</li> </ul>

Other training resources that will be available include but are not restricted to:

Delivery	Commentary
Attending courses, seminars and external events	Notification of appropriate training events will be sent on receipt and a log will be included within the Business Plan updates to each of the relevant meetings.
Internally developed training days and pre/post meeting sessions or in collaboration with other Funds or frameworks	Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which a decision is to be made by the Committee in the near future or is subject to review by the Board.

Delivery	Commentary
Regular updates from officers and/or advisers including circulated reading material	Formal training can be used to highlight sources of further information for supplementary reading. Information held on the internet – such as webinars – can be used as a source of further information.

Officers of the Pensions Team may also undertake training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI) as required by their role and with agreement of the Head of Pensions and/or Director of Finance and Support Services.

## Risk

### Risk Management

The compliance and delivery of this training strategy is at risk in the event of:

- Frequent changes in membership of the Pension Committee or Pension Advisory Board;
- Poor individual commitment;
- Resources not being available;
- Poor standards of training;
- Inappropriate training plans.

These risks will be monitored by officers within the scope of this training strategy and be reported where appropriate.

# GOVERNANCE COMPLIANCE STATEMENT

Administering Authorities must report how well they comply with a set of best practice governance principles, set out in statutory guidance. The Fund's response is provided below. For this review, "lay members" refers to individuals who are not elected County Councillor members in line with Government's Statutory Guidance (2008).

## Structure

Principle	Response
The Management of the administration of benefits and benefits strategic management of fund assets clearly rests with the main committee established by the appointing Council	<b>Compliant</b> The Pensions Committee is a delegated committee and has clear and comprehensive terms of reference.
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	<b>Compliant</b> Membership of the Pensions Committee includes a District Council, Scheduled Bodies and scheme member representatives.
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	<b>Not applicable</b> There is no secondary Committee.
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	<b>Not applicable</b> There is no secondary Committee.

# Representation

Principle	Response
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> <li>• employing authorities</li> <li>• scheme members (including deferred and pensioner scheme members)</li> <li>• where appropriate, independent professional observers</li> <li>• expert advisers (on an ad hoc basis)</li> </ul>	<p><b>Compliant</b></p> <p>Pensions Committee includes a District Council, Scheduled Bodies and a scheme member representative.</p> <p>The role of the independent adviser includes governance compliance monitoring and offering a practical approach to address and control risk. The Independent Adviser attends all Pension Committee meetings.</p> <p>Expert advisers attend Pension Committee meetings as appropriate.</p>
<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	<p><b>Compliant</b></p> <p>District Council, Scheduled Bodies and scheme member representative all receive the same meeting papers and training as the Administering Authority representatives and have full opportunity to contribute to the decision making process. All members can vote.</p>

# Voting

Principle	Response
<p>The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p><b>Compliant</b></p> <p>Except for the Chairman of the Pension Advisory Board all members can vote.</p> <p>The Chairman of the Pension Advisory Board does not have voting rights in accordance with <a href="#">statutory guidance</a>.</p>

## Selection and Role of Lay Members

Principle	Response
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	<b>Compliant</b>  This is explicitly covered in the County Council's Constitution, included as an agenda item at first meeting following a County Council election and included in this Governance Policy Statement.
That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	<b>Compliant</b>  Declarations of Interest are required at each Pensions Committee meeting and recorded on the minutes for that meeting.

## Meetings

Principle	Response
That an Administering Authority's main committee or committees meet at least quarterly.	<b>Compliant</b>  The Pensions Committee meets quarterly.
That an Administering Authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	<b>Not applicable</b>  There is no secondary Committee.
That an Administering Authority who does not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	<b>Not applicable</b>  The Pensions Committee includes lay members.

## Training / Facility Time / Expenses

Principle	Response
<p>That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p> <p>That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.</p>	<p><b>Compliant</b></p> <p>The Fund maintains a Training Strategy which applies to Pension Committee and Board members and officers. All expenses are reimbursed.</p>
<p>That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.</p>	<p><b>Compliant</b></p> <p>The Pension Fund has a published Training Strategy for Pension Committee and Board members and officers. Training is reported as part of each Committee and Board meeting.</p>

## Access

Principle	Response
<p>That subject to any rules in the Council's constitution, all members of main and secondary committees or panels has equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.</p>	<p><b>Compliant</b></p> <p>District Council, Scheduled Bodies and scheme member representative receive the same papers, documents and advice.</p>



## Scope

Principle	Response
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	<b>Compliant</b> The Pensions Committee terms of reference include non investment issues.

## Publicity

Principle	Response
That Administering Authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	<b>Compliant</b> The Fund's Governance Policy Statement is published on the Fund's website.

# APPENDIX A

## Conflict of Interest Policy

### What is a Conflict or Potential Conflict and how will they be managed?

The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions.

A conflict of interest may arise when an individual:

- has a responsibility or duty relating to the management of, or provision of advice to, the LGPS fund administered by West Sussex County Council;
- has a separate personal interest at the same time (financial or otherwise); or
- has another responsibility relating to that matter, giving rise to a possible conflict with their first responsibility; or
- has a family member or close associate who has a specific responsibility or interest in a matter.

The Administering Authority will promote a culture of openness and transparency, encouraging individuals to be vigilant and to have a clear understanding of their role. Individuals will also be encouraged to consider how situations where a conflict of interest could arise, and how a potential conflict should be managed.

The Head of Pensions, in consultation with the Monitoring Officer at West Sussex County Council, will review any dual interests or responsibilities that are identified. They will assess the potential impact on pension fund operations and good governance if an actual conflict of interest were to arise.

Ways in which conflicts of interest may be managed include:

- the individual concerned withdrawing from discussion, decision-making or providing advice relating to the relevant issue;
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a PC meeting); or
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the fully constituted meeting (where the terms of reference permit this to happen).

### Types of Interest

**Personal Interests:** interests which may provide a connection or relevance to the business of the Pensions Fund which others should be aware of but which does

not affect the ability of the individual to take full part in that business or to properly and objectively discharge their responsibilities. The interest should be declared but the individual may continue to participate in the relevant business.

**Pecuniary Interests:** interests which are financial and personal to the individual or to a close family member of associate and which, if the individual were an elected member of the County Council, would be required under the Localism Act 2011 to be registered as a pecuniary interest. If such an interest arises it should be declared and the individual may take no part in the relevant business.

**Prejudicial Interests:** interests which have a direct or significant connection with the business of the Pensions Fund in a way which makes it likely that it could prejudice or reasonably be perceived as likely to prejudice the ability of the individual to properly and objectively discharge their responsibilities. The interest should be declared and the individual should take no part in the relevant business or any discussion or advice related to it.

Provided that the Administering Authority, having taken any professional advice deemed to be required, is satisfied that the method of management is satisfactory it will endeavor to avoid the need to advise an individual to resign due to a conflict of interest or to request the appointing body to reconsider their appointment to the PAB or PC. Where a PAB Member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Board.

### **Data Protection and Personal Safety**

The information provided to put into the Register of Interests shall be available for inspection by any interested person or for publication. Any person needing to register a personal interest or make a declaration of an interest may request that any part of the information personal to them or to another person, be treated as confidential and not published or made available to others and shall give reasons for this request. They may also ask that such personal information be so treated on the grounds that publication may put them or another person at risk of harm. The Head of Pensions shall take advice from the County Council's Monitoring Officer before deciding what action to take in response to such requests including on how relevant interests should be recorded and declared.

## Procedure

Except for advisers and suppliers, the following procedures must be followed by all individuals to whom this policy applies.

What is required	How this will be done
<p><b>Step 1</b> – Initial identification of interests which do or could give rise to a conflict</p>	<p>All individuals will be provided with a copy of this Policy and be required to complete a Registration of Interest Form. The information contained in these forms will be collated into the Pension Fund Register of Interests. The latest version of the Register of Interests at the first meeting of the PC and PAB in each financial year to ensure it is up to date.</p> <p>Any person newly appointed to any relevant role or position must complete a Registration of Interests Form within 28 days of their appointment and before participating in any decision-making meeting.</p> <p>If a person acquires or becomes aware of a new interest or a change to their registered interests, they must ensure the change or new interest is recorded in the Register within 28 days of the interest or change arising and before participating in any relevant meeting.</p> <p>The Register will be made available by the Head of Pensions to the Chairman of every meeting prior to that meeting, where relevant. The Head of Pensions is responsible for monitoring the Register on an ongoing basis to determine whether any actual or potential conflict could impact on the ongoing business of the Pension Fund or the matters for consideration or decision by the Committee.</p>
<p><b>Step 2</b> – Ongoing notification and management of potential or actual conflicts of interest</p>	<p>Members and officers must make any declaration of personal or prejudicial interests that they may have in relation to items on a meeting agenda and must make any declaration at any stage during the meeting if it becomes apparent that this may be required when an item or issue is considered. If such a conflict is identified outside a meeting the notification must be made to the Head of Pensions. All declarations will be recorded on a Declarations Log for the meeting and also in the Fund's Register of Interest.</p> <p>The Chairman, in consultation with the Head of Pensions and the County Council's Monitoring Officer, will decide whether</p>

What is required	How this will be done
	<p>the conflicted or potentially conflicted individual should be advised to leave the meeting during the discussion on the relevant matter and/or to withdraw from any decision or voting on the matter. Whilst ultimately it is for the individual to decide whether or not to be present, if they do not follow advice they are at risk of a formal complaint being made and of compromising the lawfulness of any decision.</p> <p>The Log will be made available by the Head of Pensions to the Chairman of every meeting prior to that meeting, where relevant.</p>
<p><b>Step 3</b> – Periodic review of potential and actual conflicts</p>	<p>At least once every 12 months, the Head of Pensions will provide a copy of the Fund's Register of conflicts of interest to all individuals to whom this Policy applies. All individuals will be asked to complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration. The updated Register will then be circulated by the Head of Pensions to all individuals to whom it relates.</p> <p>If a member fails to do so, the matter will be escalated to the Chairman of the PC or Chairman of the PAB (as applicable).</p>

Advisers may be asked to give advice on pension matters to scheme employers, scheme members or member representatives such as the Trades Unions. An adviser may also be appointed to another Administering Authority which is involved in a transaction involving the Pension Fund, or by a supplier or organisation providing services to the Pension Fund.

An adviser can only continue to advise the Administering Authority and another party where there is no conflict of interest.

The same adviser can be appointed to advise the PC, PAB or Fund officers as long as there is no conflict of interest between the different responsibilities.

All advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated;
- adhere to the principles and expectations of this Policy;
- provide, on request, information to the Head of Pensions in relation to how they will manage and monitor actual or potential conflicts of interests relating to the

provision of advice or services to West Sussex County Council as Administering Authority;

- notify the Head of Pensions immediately should a potential or actual conflict of interest arise; and
- highlight at all meetings should a potential or actual conflict of interest arise, preferably at the start of the meeting.

All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of Interest.

## Other Relevant Policies

Party	Administering Authority Requirement
All	For the purposes of this Policy, tokens, gifts and other promotional items (subject to a notional maximum value of £25 per item) obtained at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event do not need to be declared. Fund Officers are also required to comply with the Council's Officer Code of Conduct.
Pensions Committee	<p>All members of the PC have an overriding legal obligation to follow and abide by the requirements of the Localism Act 2011 and West Sussex County Council's <a href="#">Members Code of Conduct</a> relating to the treatment and disclosure of personal and pecuniary interests. Accordingly, for those members, disclosures under this policy may be in addition to disclosures under the Council's Code of Conduct/the Localism Act 2011.</p> <p>Members of the PC are also required to complete an online register of interests and submit it to West Sussex County Council's Monitoring Officer. This will be published on the internet unless it is agreed that publication of all or part of it will cause a threat to a member's safety.</p>



Party	Administering Authority Requirement
Pension Advisory Board (PAB) Members	<p>PAB members are required to adhere to the West Sussex County Council's <a href="#">Members Code of Conduct</a> in relation to the standards of conduct of Board members, including the non-disclosure of confidential information.</p> <p>Members of PAB are also required to complete an online register of interests and submit it to West Sussex County Council's Monitoring Officer. This will be published on the internet unless it is agreed that publication of all or part of it will cause a threat to a member's safety.</p>
Fund Officers	<p>Officers of West Sussex County Council are required to adhere to the West Sussex County Council's Standards of Conduct and Employee Conduct and Propriety which includes requirements in relation to the disclosure and management of potential or actual conflicts interest or relationships (financial and non-financial) that may impact on their work or that of West Sussex County Council.</p>

Employees of Hampshire County Council who provide services to, or on behalf of, the Fund under the partnership agreement for administration services, must follow the Hampshire County Council Officers Code of Conduct. This includes the disclosure and management of their work for Hampshire County Council, which will include their responsibilities for carrying out work for the Pension Fund.

## Key Risks

The key risks to the delivery of this Policy are outlined below. All of these could result in an actual conflict of interest arising and not being properly managed. The Head of Pensions will monitor these and other key risks and consider how to respond to them.

- Insufficient training or poor understanding in relation to individuals' roles on pension fund matters;
- Insufficient training or failure to communicate the requirements of this Policy;
- Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy;
- Failure by a Chairman to take appropriate action or seek advice when a conflict is highlighted at a meeting; and



- A decision by an individual to disregard advice and be at risk of formal action under the Localism Act 2011 or relevant Code of Conduct or employment contract.

## Costs

All costs related to the operation and implementation of this Policy will be met directly by Pension Fund. However, no payments will be made to individuals for any time spent or expenses incurred in disclosing or managing potential or actual conflicts of interest under this Policy.

## Approval, Review and Consultation

This Conflict of Interest Policy was approved on 7 April 2025 by the Pension Committee. It will be formally reviewed and updated at least every three years or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

## Further Information

If you require further information about anything in or related to this Conflict of Interest Policy, please contact:

**Vickie Hampshire**, Governance Manager, West Sussex Pension Fund

Email – [vickie.hampshire@westsussex.gov.uk](mailto:vickie.hampshire@westsussex.gov.uk)

**Rachel Wood**, Head of Pensions, West Sussex Pension Fund

Email – [rachel.wood@westsussex.gov.uk](mailto:rachel.wood@westsussex.gov.uk)

West Sussex Pension Fund  
County Hall  
Chichester  
West Sussex  
PO19 1RG

## Appendix i –Declaration of Interest Form

Form to Register Interests relating to the management of West Sussex Pension Fund administered by West Sussex County Council

I, [insert full name], am:

- an officer involved in the management
- Pension Committee Member
- Pension Advisory Board Member

of West Sussex Pension Fund and I set out below under the appropriate headings my interests, which I am required to declare under West Sussex Pension Fund Conflict of Interest Policy. I have put “none” where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest (please list and continue overleaf if necessary):

Relating to me -

Relating to family members or close associate -

## Appendix ii – Legislative and Related Context

The overriding requirements in relation to the management of potential or actual conflicts of interest for those involved in LGPS funds are contained in various elements of legislation and guidance. These are considered further below.

### **THE PUBLIC SERVICE PENSIONS ACT 2013**

Section 5 of this Act requires that the scheme manager (in the case of the LGPS, this is the Administering Authority) must be satisfied that a PAB (referred to in legislation as the Local Pension Board) Member does not have a conflict of interest at the point of appointment and thereafter. It also requires PAB Members to provide reasonable information to the scheme manager for this purpose. The Act defines a conflict of interest as “a financial or other interest which is likely to prejudice the person’s exercise of functions as a Member of the Board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).”

Also, the Act requires that scheme managers must have regard to any such guidance that the national Scheme Advisory Board issue (see below).

### **THE LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013**

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each Administering Authority to satisfy itself that PAB Members do not have conflicts of interest on appointment or whilst they are Members of the Board. It also requires those PAB Members to provide reasonable information to the Administering Authority in this regard.

Regulation 109 states that each Administering Authority must have regard to guidance issued by the Secretary of State in relation to Local Pension Boards (PAB). Further, regulation 110 provides that the national Scheme Advisory Board has a function of providing advice to Administering Authorities and Local Pension Boards. The LGPS National Scheme Advisory Board issued guidance relating to the establishment of Local Pension Boards including a section on conflicts of interest. This Conflict of Interest Policy has been developed having regard to that guidance.

### **THE PENSIONS ACT 2004**

Section 90A of the Pension Act 2004 requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for PAB Members. The Pensions Regulator has issued the code and this Conflict of Interest Policy has been developed with reference to that code.

Further, under section 13, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is

considered that the requirements relating to conflicts of interest for PAB Members are not being adhered to.

### **CIPFA INVESTMENT POOLING GOVERNANCE PRINCIPLES FOR LGPS ADMINISTERING AUTHORITIES GUIDANCE**

The CIPFA governance principles guidance states "the establishment of investment pooling arrangements creates a range of additional roles that committee members, representatives, officers and advisers might have." It includes some examples of how conflicts of interest could arise in these new roles. It highlights the need for Administering Authorities to:

- update their conflicts of interest policies to have include asset pooling;
- remind all those involved with the management of the fund of the policy requirements and the potential for conflicts to arise in respect of asset pooling responsibilities; and
- ensure declarations are updated appropriately.

This Conflict of Interest Policy has been updated to take account of the possibility of conflicts arising relating to asset pooling in accordance with the CIPFA governance principles guidance.

### **LOCALISM ACT 2011**

All members and co-opted members of the PC are required by the Localism Act 2011 to register and declare 'disclosable pecuniary interests' and abide by West Sussex's Code of Conduct for Members. That Code contains provisions relating to personal interests and Disclosable Pecuniary Interests, their disclosure and limitations on members' participation where they have any such interest.

### **THE SEVEN PRINCIPLES OF STANDARDS IN PUBLIC LIFE**

Sometimes known as the 'Nolan Principles', the seven principles of public life apply to anyone who holds public office. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in such areas.

The principles also apply to all those in other sectors that deliver public services. Many of the principles are integral to the successful implementation of this Policy. The principles are:

- selflessness;
- integrity;
- objectivity;
- accountability;
- openness;
- honesty; and
- leadership.

## **ADVISERS' PROFESSIONAL STANDARDS**

Many advisers will be required to meet professional standards relating to the management of conflicts of interest. For example, the Fund Actuary is bound by the requirements of the Institute and Faculty of Actuaries. Any Protocol or other document entered between an adviser and the Administering Authority in relation to conflicts of interest, whether as a requirement of a professional body or otherwise, should be read in conjunction with this Policy.

# APPENDIX B

## Annex i – The Pension Regulator Code of Practice

### Governance of Knowledge and Understanding

It is important that the governing body<sup>2</sup>, or pension board, can demonstrate that, as a group, they possess the skills, knowledge, and experience to run the scheme effectively.

The governing body should:

- Have a balance of skills and experience throughout the board and be able to demonstrate this
- Be able to apply its knowledge to governing the scheme
- Have enough skills to judge and question advice or services provided by a third party
- Be able to identify and address skills gaps
- Have enough understanding of industry good practice and standards to assess scheme performance and its service providers
- Keep records of the learning activities of individual members and the body as a whole
- Be able to demonstrate steps it has taken to comply with the law
- Have and maintain training and development plans to ensure that individual and collective knowledge and understanding is kept relevant and up to date.

Members of a governing body should be aware that their responsibilities and duties begin from the date they take up their post.

Members of governing bodies required to have knowledge and understanding should invest enough time in their learning and development, alongside their other responsibilities and duties. Governing bodies should provide the necessary training and support. Trustees of occupational pension schemes have the right to time off to perform their duties as a trustee of their employer's scheme and for trustee training.

Learning programmes should be flexible, allowing those taking them to update areas of learning and to acquire new knowledge. Members of governing bodies

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<sup>2</sup> The governing body for the West Sussex Pension Fund is the Pension Committee

who take on new responsibilities will need to ensure they gain relevant knowledge and understanding.

As a matter of good practice members of governing bodies can work towards completing our trustee toolkit (or public service toolkit for members of pension boards of public service schemes) or equivalent learning programme.

To enable governing bodies to ensure their knowledge and understanding is established and maintained, members of a governing body should:

- be able to demonstrate the basic level of knowledge and understanding needed to run their scheme within six months of their appointment<sup>3</sup>.
- start on a programme of learning immediately on appointment, if not before, in conjunction with a scheme-specific induction programme, if one is provided
- undertake advanced scheme-specific learning once a good understanding of the scheme has been obtained
- consider how they are meeting our expectations of knowledge and understanding.
- review their own knowledge and understanding and identify any gaps at least annually, particularly in relation to changes in legislation or their scheme
- keep records of any review of knowledge and understanding and steps taken to address any gaps
- keep records of any alternative or further learning activity (for example, reading, attending conferences, sessions with the scheme advisers)

## General Expectations for all Relevant Governing Bodies

Anyone who has a requirement for knowledge and understanding should have a working knowledge of the items listed below. The list is not exhaustive.

- Pensions Law and associated legislation
- The Scheme
- Scheme funding and investments
- Risk Management
- Scheme administration and service providers
- Scheme Communications



## Annex ii

# CIPFA Requirements

### CIPFA Knowledge and Skills Framework

In June 2021 CIPFA published its Knowledge and skills framework for LGPS Committee members and Officers. This publication is intended to promote good governance in the LGPS in the key area of knowledge and skills.

The framework covers eight areas of knowledge identified as the core requirements:

- Pensions legislation and guidance;
- Pension governance
- Pensions administration and communications
- Pension financial strategy, management, accounting, reporting and audit standards;
- Financial services procurement and relationship development;
- Investment strategy, asset allocation, pooling, performance and risk management;
- Financial markets and products; and
- Funding strategy and actuarial methods.

A knowledge of this framework of legislation and guidance, and the way in which it affects the management and operational aspects of the LGPS, provides the context within which the LGPS pension committee members and senior officers must operate to ensure they can undertake their statutory, professional and other obligations.

Understanding the requirements of the current and evolving governance framework is of central importance for decision makers in the LGPS. Also of key importance is a knowledge of the governance frameworks that apply within the pensions industry (such as MiFID II, the UK Stewardship Code and the Myners principles), within the LGPS (such as the requirements of the governance compliance statement) and within administering authorities.

Knowledge in this area should include an understanding of risk management, ensuring it is an integral part of governance. This includes knowledge of best practice risk management and how that supports a structured and focused approach to managing risks.

## Local Pension Boards: A Technical Knowledge and Skills Framework

In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

## CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")

CIPFA's Code of Practice, updated in 2021, embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills
- ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year

The West Sussex Pension Fund fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. The training strategy formally sets out the arrangements the West Sussex Pension Fund will take in order to comply with the principles of the Code of Practice.

## Annex iii

# Scheme Advisory Board Guidance

### General Principles

The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Pension Advisory Board members to understand their knowledge and understanding obligations.

Knowledge and understanding must be considered in the light of the role of a local pension board and West Sussex County Council will make appropriate training available to assist and support PAB members in undertaking their role.

### Committee Members

Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of an s101 Pension Committee. However, it is proposed that members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

### Degree of Knowledge and Understanding

The role of the Pension Advisory Board is to assist the Scheme Manager i.e. the administering authority. To fulfil this role, Pension Advisory Board members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or Codes of Practice.

Pension Advisory Board members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the West Sussex Pension Fund in enough detail to know where they are relevant and where it will apply.

# APPENDIX C

## Governance Committee

Under the [County Council's Constitution \(Appendix 7\)](#) its Governance Committee has responsibility "to make arrangements for the discharge of the County Council's function as Scheme Manager and the exercising of the powers and duties of the County Council in its capacity as Administering Authority in relation to the Local Government Superannuation Acts and Regulations made thereunder and in particular to arrange for the discharge of those responsibilities through a formally constituted committee to be named the Pensions Committee".

In relation to the legal requirement for a Pension Advisory Board, the Governance Committee's Terms of Reference include to:

- a) Approve the job description and remuneration of and oversee the appointment of the independent Chairman of the Pension Advisory Board;
- b) Review the tenure of membership of a Board member in the event of consistent non-attendance on the advice of the Executive Director of Law Assurance and Insight;
- c) Remove a member of the Board during a term of appointment for reasons other than their ceasing to be eligible.
- d) Approve the Business Plan and budget of the Pension Advisory Board.

The Governance Committee acts for the Council in its capacity as scheme employer but does not directly discharge any of the functions of the Council as Scheme Manager but, as it has the authority to do so in default of the Pensions Committee acting for whatever reason, the Committee's governance arrangements within the [Constitution](#) are

Governance Requirement	Status
Frequency of meetings	Six times a year
Representatives of scheme employer and scheme members	Nine members of the County Council. There are no other scheme employer or member groups represented. The Committee is politically proportionate.
Voting rights	All members may vote.

Governance Requirement	Status
Area of responsibility	Governance Committee's responsibility in relation to the Local Government Superannuation Acts and Regulations made thereunder relates to the County Council as an employer participating in the Scheme. It does not discharge the Council's responsibilities as administering authority.