

# Staff and Pensions Committee

Date: Monday 7 March 2022  
Time: 2.00 pm  
Venue: Committee Room 2, Shire Hall

## Membership

Councillor Andy Jenns (Chair)  
Councillor Bill Gifford (Vice-Chair)  
Councillor John Horner  
Councillor Christopher Kettle  
Councillor Sarah Millar  
Councillor Jill Simpson-Vince

Items on the agenda:

1. **General**
  - (1) **Apologies**
  - (2) **Disclosures of Pecuniary and Non-Pecuniary Interests**
  - (3) **Minutes of the Previous Meeting** 5 - 10  
To confirm the minutes of the meeting held on 13 December 2021.
2. **Annual Review of Our People Strategy and Year 2 (2022/23) Delivery Plan** 11 - 30
3. **Apprentices' Pay Report** 31 - 36
4. **Local Government Pension Scheme Employer Pensions Discretions Policy** 37 - 64
5. **Review of Pension Fund Discretions for Warwickshire Pension Fund** 65 - 82
6. **Draft Fraud Strategy for the Warwickshire Pension Fund** 83 - 94
7. **Draft Business Continuity Plan for the Warwickshire Pension Fund** 95 - 108
8. **Pensions Administration Activity and Performance Update** 109 - 118

9. **Governance Review** 119 - 132
10. **Regulatory and Policy update** 133 - 136
11. **Warwickshire Pension Fund New Employers and Employers Leaving the Fund** 137 - 140
12. **Review of the Minutes of the Warwickshire Fire Local Pension Board meeting of 14 September 2021** 141 - 146
13. **Reports Containing Exempt or Confidential Information**  
To consider passing the following resolution:
- ‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraphs 2 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.’
14. **Firefighter Pension Schemes McCloud Remedy - Immediate Detriment Cases** 147 - 170
15. **Next Meeting**  
The next meeting of the Committee will be held at 2pm on Monday 13 June 2022.

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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## Disclaimers

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### Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. Any changes to matters registered or new matters that require to be registered must be notified to the Monitoring Officer as soon as practicable after they arise.

A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests relevant to the agenda should be declared at the commencement of the meeting.

The public reports referred to are available on the Warwickshire Web  
<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

### COVID-19 Pandemic

Any member or officer of the Council or any person attending this meeting must inform Democratic Services if within a week of the meeting they discover they have COVID-19 or have been in close proximity to anyone found to have COVID-19.

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# Staff and Pensions Committee

Monday 13 December 2021

## Minutes

### Attendance

#### Committee Members

Councillor Bill Gifford (Vice-Chair)  
Councillor John Horner  
Councillor Christopher Kettle  
Councillor Jill Simpson-Vince

#### Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
John Cole, Democratic Services Officer  
Jan Cumming, Senior Solicitor and Team Leader (Commercial and Contracts)  
Andrew Felton, Assistant Director - Finance  
Victoria Jenks, Pensions Admin Delivery Lead  
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)

### 1. General

#### (1) Apologies

Apologies were received from Councillor Andy Jenns and Councillor Sarah Millar.

#### (2) Disclosures of Pecuniary and Non-Pecuniary Interests

Councillor Simpson-Vince advised that she was a Director of Rugby First Ltd, which had left Warwickshire Pension Fund as it had no active members left in the scheme (see agenda item 5).

#### (3) Minutes of Previous Meetings

##### Resolved:

That the minutes of the meetings held on 13 September 2021 and 2 November 2021 be confirmed as an accurate record and signed by the Chair.

There were no matters arising.

## **2. Proposal to Adopt E-Payslips for LGPS Pensioners**

Victoria Jenks (Pensions Admin Delivery Lead) introduced the report which outlined current practices followed by the Pensions Administration Service to issue monthly paper payslips to members of the Warwickshire Pension Fund. She advised that since January 2018, newly retired members of the Fund have received payslips electronically unless they had indicated a preference to receive a paper copy. The report presented to the Committee outlined the case for moving to e-payslips as the default arrangement for all pensioners, whilst retaining the option for members to opt out and continue to receive paper payslips.

Victoria Jenks advised that the report set out the annual cost of issuing paper payslips, which equated to approximately £70,000, as well as the associated environmental impacts.

Victoria Jenks stated that the Committee's approval was sought for the proposed changes. She advised that e-payslips had been widely adopted by other pension funds. Funds that made use of this arrangement reported that approximately 10% of retired members had chosen to continue to receive paper payslips.

Victoria Jenks advised that members that had opted-in to the initiative could specify that a paper payslip be issued if there had been a change to the amount being paid or a change to the tax code.

Councillor Gifford (Vice-Chair of the Committee and Chair of the Meeting) stated that the proposal was sound. It provided scope for members to opt out if they wished to continue to receive paper payslips. He stated that, in his experience as a councillor, many retired residents were content to make use of digital resources. It was a legitimate and practicable way to proceed.

In response to Councillor Horner, Neil Buxton (Technical Specialist - Pension Fund Policy and Governance) advised that it was proposed that pensioners would receive a log-in to an online account to access payslips. A paper P60 form would be issued to pensioners in the first year. However, there was no legal requirement for P60s to be issued as a paper document.

In response to the Chair, Victoria Jenks indicated that the Pensions Administration Service was prepared for an increased number of enquiries from members during the first year of transition to the new arrangement.

### **Resolved:**

That the Staff and Pensions Committee approves the adoption of e-payslips as the default position for pensioners who are members of the Warwickshire Pension Fund.

## **3. Pensions Administration Activity and Performance Update**

Victoria Jenks (Pensions Admin Delivery Lead) introduced the report which provided an update on key developments affecting pensions administration and the performance of the Pension Administration Service (PAS).

In response to the Chair, Victoria Jenks advised that, in respect of the response to the McCloud case, the amount of work required to enact a solution was significant but the difference to members' benefits was comparatively slight.

Chris Norton (Strategy and Commissioning Manager – Treasury, Pension, Audit & Risk) advised that at the time of writing of the report, the Fund had no outstanding Internal Dispute Resolution Procedures (IDRP). However, since then, two IDRPs had been instigated. The Committee would be updated of any significant developments.

In response to Councillor Simpson-Vince, Victoria Jenks advised that plans to launch of the Member Self Service (MSS) platform by 1 April 2022 were on track. The build stage had recently been completed; the test phase would begin in early 2022. Consideration would be given to a phased approach to launch the initiative. There would be an initial 'soft rollout' with one employer to test the system which was likely to be operational as early as mid-February 2022.

**Resolved:**

That the Committee notes the report.

**4. Regulatory and Policy Update**

Neil Buxton (Technical Specialist - Pension Fund Policy and Governance) introduced the report which provided a summary of regulatory developments within the pension arena alongside details of policies reviewed either as part of an annual review or where there had been a requirement for minor amendments.

Neil Buxton advised of developments that had come to attention following publication of the report. He reported that the government review of exit payments for LGPS members would be progressed as a parliamentary Private Members' Bill. Progress would be monitored.

Neil Buxton reported that the national Governance Review had been delayed until summer 2022; the Pensions Regulator Single Code of Practice would also be delayed until summer 2022, or possibly later. He advised that the Pensions Regulator may choose to make a recommendation to pension funds on meeting arrangements. It was likely that a focused approach to meetings would be advocated, increasing the number of meetings held from the quarterly arrangement currently in place.

The Chair stated that, to some extent, this approach was already in place in Warwickshire as part of the regularly held training, development, and discussion sessions.

**Resolved:**

That the Committee notes the report.

## **5. Employers Entering and Leaving the Warwickshire Pension Fund**

In response to the Chair, members of the Committee agreed to approve the delegation of authority to the Strategic Director for Resources as set out within the report.

### **Resolved:**

That the Staff and Pensions Committee:

1. Delegates authority to the Strategic Director for Resources to approve applications from the listed employers subject to the applications meeting the criteria

#### 1.1 New Academies:

- 1.1.1 Brailes C of E Primary School (Part of The Stour Federation) 01/08/2021
- 1.1.2 Houlton School (Part of Transforming Lives Educational Trust) 01/09/2021
- 1.1.3 The Warwickshire Academy (Part of Thrive Education Partnership)  
01/01/2022

#### 1.2 New Employers:

- 1.2.1 Premier Active 01/09/2021
- 1.2.2 Miquill Catering Limited 01/09/2021
- 1.2.3 Prime Facilities Services 06/09/2021
- 1.2.4 NSL – Marston's Holdings 01/11/2021 (new contract)
- 1.2.5 Caterlink 22/07/2021

2. Notes the employers who have left the fund as they have no active members left in the scheme:

- 2.1.1. Rugby First Ltd on 01/08/2021

## **6. Review of the Minutes of the Warwickshire Fire and Rescue Local Pension Board Meeting of 9 June 2021**

The minutes of the Warwickshire Fire and Rescue Local Pension Board Meeting of 9 June 2021 were noted.

## **7. Reports Containing Exempt or Confidential Information**

### **Resolved:**

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

## 8. Exempt Minutes of the Previous Meetings

### Resolved:

That the exempt minutes of the meetings held on 13 September 2021 and 2 November 2021 be confirmed as an accurate record and signed by the Chair.

There were no matters arising.

The meeting rose at 14:24

.....  
Chair

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## Staff and Pensions Committee

7 March 2022

### Annual Review of Our People Strategy & Year 2 (2022/23) Delivery Plan

#### Recommendation

That the Committee note the work in the review of Our People Strategy and authorises the Chief Executive to finalise the 2022/23 Delivery Plan having regard to the views expressed by this Committee and by the Resources and Fire & Rescue Service Overview and Scrutiny Committee

#### 1. Executive Summary

1.1 In December 2020, our refreshed Our People Strategy was shared with Resources and Fire & Rescue Overview and Scrutiny Committee and Staff and Pensions Committee. The Strategy and 2021/22 Plan were endorsed and a commitment made to bringing the 2022/23 Plan to both committees.

1.2 In September 2021 further papers were brought to Staff and Pensions Committee in a revised 'Annual Review' format covering:

- Sustainable & Resilient Workforce;
- Health Safety & Wellbeing, and;
- Equality, Diversity & Inclusion.

A commitment was made to developing an annual review of Our People Strategy in a similar format.

1.3 The Annual Review of Our People Strategy, at Appendix A, showcases and celebrates the activity and performance against our priorities over the previous year, considers the performance data and current context and details the key priorities for the coming year.

1.4 Following approval from Members, the annual review we will be able to share this story with a wider audience, with the aim of supporting our Employer Value Proposition (EVP) and the ongoing recruitment and retention of our people

#### 2. Financial Implications

None.

### **3. Environmental Implications**

None

### **4. Supporting Information**

#### **4.1 Our People Strategy Annual Review – At a Glance**

The Our People Strategy provides direction and focus for the development and implementation of a range of projects and initiatives under six building blocks.

2021/22 activity, measurement of success and priority actions for 2022/2023 for each building blocks are summarised as follows:

#### **Culture, Value and Behaviours**

Progress – Our wellbeing work has seen the achievement of Thrive bronze accreditation, launch of our approach to wellbeing and an updated Attendance at Work Policy. We have developed the future approach to engagement, whilst continuing to run regular check-in's with our people and prioritising actions based on their feedback. We continue to develop and progress an ambitious Equality, Diversity & Inclusion (EDI) action plan.

Measures – Attendance levels have remained within target; Our Colleague Survey scores are strong with our wellbeing indicator at 83% and 11% above 2019 levels. Solid progress has been made against our EDI indicators including gender and ethnicity pay gaps and 83% of colleagues believe that Warwickshire County Council values equality and diversity.

2022/2023 – Focus will continue on wellbeing, engagement, and EDI, these being key areas in which we aim to positively differentiate as an employer. The coming year will see further development of our culture in support of the Council Plan.

#### **Leadership**

Progress – Our foundational work towards people management data and metrics will better equip leaders. We have continued to develop leadership capability through our Senior Leadership Forum (SLF). Positive gains have been seen in the approachability of senior managers, their role modelling of values and colleagues feeling trusted to do their jobs.

Measures – Our High-Performance Culture engagement measure brings together several leadership areas and has remained at a consistently high level.

2022/2023 – Focus will continue on leading with data and developing our leadership offer.



## **Performance**

Progress – Contributions have been made in the further development of our Performance Management Framework, Business Planning, individual Appraisals and Personal Development Plans.

Measures – Our High-Performance Culture and Engagement scores have remained consistently high.

2022/2023 – 360-degree feedback processes will be in place for all SLF members and if capacity allows, we will review our wider approach to performance and appraisal frameworks.

## **Organisational Development and Design**

Progress – We launched our agile working offer, based on service delivery, choice, and trust, and have provided a package of support and guidance for its implementation. This has supported the pandemic response. Activities to implement and support our service redesigns have continued.

Measures – The take up of agile working contracts continues to rise each month.

2022/2023 – Focus will continue on developing the agile working approach, and if capacity allows, we will enhance the use of establishment data in order to support improved workforce planning.

## **Reward and Recognition**

Progress – Implementation and development of the employee benefits platform; phased roll out of the 'High5' peer-to-peer recognition system.

Continuation of our Long Service and STAR recognition schemes.

Measures – Employee retention has maintained at sustainable rates whilst marginally above target.

2022/2023 – Our focus will be to drive utilisation of existing processes with recognition being embedded a key part of our Employer Value Proposition (EVP).

## **Talent Development and Career Opportunities**

Progress – Recruitment activity has been extended in support of service redesigns and pandemic response. External Indeed and GlassDoor profiles have been developed alongside recruitment microsites. Induction and onboarding processes have been enhanced to complement our EVP and support agile working. Foundational work on career pathways is underway in several services. A Children and Families workforce academy is in place. A Chartered Management Apprenticeship has been introduced.

Measures – The service has strengthened in several key areas to improve frontline service delivery and respond to the pandemic. Headcount increases of 4.2% arising from increased service demand and Covid response have driven additional recruitment activity.

2022/2023 – Continued focus on positive differentiation as an employer through our purpose, EVP, approach to EDI, the leadership we provide and the culture we build.

#### **4.2 Priorities for 2022/2023**

Following the review activities, assessment of the measure outcomes, and engagement from key stakeholders, the following priorities are proposed for 2022/2023:

Several of the priority areas initiated in year 1 of our plan will continue into 2022/23. Activities have been prioritised to enable resources to be allocated to areas of maximum benefit and flexed to meet changes in organisational demand. New priorities are denoted by (n), and those in italics will be secondarily prioritised.

##### **Culture, values, and behaviours**

Sustainable and Resilient Workforce - supporting the wellbeing of our workforce to enable our people to be well and in work and development of plans towards silver Thrive accreditation.

Employee Engagement – providing a framework where we can listen learn and act on the feedback from our people, to enable an engaged and high performing workforce.

Equality, Diversity and Inclusion – enabling everyone to feel valued, included, safe, supported and welcome, and places inclusivity at the heart of everything we do.

Culture to support Council Plan (n) – Ensuring our culture enables the successful delivery of the Council Plan and our people embody and embrace the culture, values, and behaviours.

##### **Leadership**

People Metrics – Leading with Data - Providing managers with the information they require to understand the issues in their workforce and effectively manage them.

Leadership Offer (n) – equipping our leaders to provide agile and situationally responsive leadership.

## **Performance**

*Reviewing performance management and appraisal approach (n)– Providing a positive and rewarding framework for our people to embrace a high-performance culture.*

## **Organisational development and design**

Agile Working Approach – work is what you do not where you do it, with the customer and service delivery at the heart.

*Establishment enhanced activity (n) – developing how we use our establishment to enhance workforce planning.*

## **Reward and recognition**

Employer Value Proposition - promoting what working for our organisation is all about to attract and retain the best people.

*Recognition platform - implementing and monitoring our peer-to-peer recognition platform to enable our people to give and receive recognition.*

## **Talent development and career opportunities**

Induction and Onboarding - improving how we induct and onboard our people who are new to the organisation and/or their role.

Apprenticeship Pay (n) - aligning apprentices' pay with National Minimum Wage rates and to address attraction and recruitment challenges.

Recruitment, Retention and Talent Approach (n)– flexible resourcing solutions to maximise talent attraction and retention.

*Tier 1-4 recruitment process (n)- reviewing the process applied when recruiting and assessing Tier 1-4 (Leadership & Management) appointments.*

*Apprentice first approach (n) – providing a framework so that apprenticeships are routinely considered for entry level roles.*

*Corporate Learning and Development Offer (n) – ensuring that our corporate learning and development offer is relevant and meets the organisation's needs.*

## **Service Development and Assurance**

Policy, legal and compliance – Reviewing our people policies to reflect the changing tone and voice of the organisation whilst ensuring they cover legal requirements.

Pay Framework and National Living Wage (n) – Determining how to accommodate the change to National Living Wage within our pay framework. Horizon scanning, forthcoming policy and legislation – Ensuring the organisation to ready to adopt any changes – examples include exit cap, carers leave and flexible working rights.

HR System (n) – Planning for contract renewal including options for potential successor system.

Lone Workers (n) – Identifying, sourcing, and introducing a technological solution which improves the safety and security of lone workers.

HROD Service Development (n) Continuing to develop and improve our OneHR service offer and manage demand.

HR Commercial Strategy (n) – Developing our strategy so our traded services remain strong in an increasingly competitive marketplace.

### 4.3 Conclusions

2021/2022 has been a challenging but successful year for delivery against the Our People Strategy whilst managing the dynamics of the pandemic.

Particular successes include:

- Achieving Bronze Thrive at Work Accreditation.
- Foundational work to set the Tone and Voice for all our policies, as well as how we articulate Our Approach in key areas such as wellbeing, engagement; track performance and celebrate success through the use of Annual Reviews: Health, Safety & Wellbeing; Sustainable and Resilient Workforce; Equality, Diversity & Inclusion, and Colleague Engagement.
- Defining and launching our Agile Working Offer.
- Developing approaches for listening to the voice of our people
- Developing people metrics dashboards, which when launched will support managers to lead with data.
- Piloting the Hi-Five recognition platform.
- Reviewing our recruitment services, and enhancing the service offer to managers.
- Continuing to embed our Employer Value Proposition.
- Maintaining high levels of performance in key areas in an ever-changing environment.
- Alongside the longer-term strategic deliverables we have continued to support our people and enabled them to continually deliver for the people that we serve.
- Our measures have mainly remained on target, with some particular successes in terms of stress and mental health absence and the gender pay gap. We are tracking on target in terms of absence, high-performance culture and ethnicity pay gap. Our plans aim to address engagement and retention, where the outturn is tracking marginally outside of our target range.

- In addition to supporting the Our People Strategy our HROD Delivery colleagues strive to enhance the service offer to our customers whilst continuing to deliver a wide range of essential HROD services across the Council and beyond.
- Many of our major projects and initiatives will continue into 2022/2023 and are supplemented by a number of new key activities that will enable the Council to be the best it can be and support the delivery of our Council Plan.
- We will continue to develop the HR service that we can all be proud of, with exceptional service delivery for our customers today and tomorrow.

## Appendices

Our People Strategy – Annual Review 2021/2022 & Year 2 (2022/23) Delivery Plan.

	<b>Name</b>	<b>Contact Information</b>
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# OUR PEOPLE STRATEGY

Annual Review 2021/2022 & Year 2 (2022/23) Delivery Plan

*Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.*



# Our People Strategy

## Warwickshire's Story



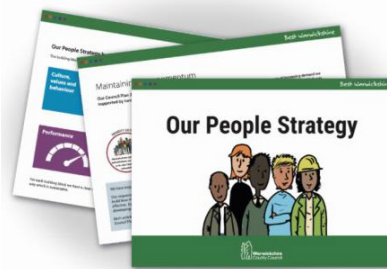
### Message from Monica Fogarty, Chief Executive

At Warwickshire County Council, we are continuing to make Warwickshire the best it can be for everyone and our people are at the heart of our success. We are proud of our people and their shared passion to make a meaningful difference and we want them to be proud to work here. We understand that by being a good employer, we will attract and retain the very best, who will enable us to perform at our best.

I am delighted to share with you the progress that has been made in the first year of the refreshed Our People Strategy and our commitment to future improvements through the coming year to ensure that Warwickshire is a great place to work, where diverse and talented people are enabled to be their best.

#### Our behaviours

Our behaviours were first introduced in 2016 and these haven't changed. Our behaviours frame how we should behave at work. They help us to understand how we should go about our work and the way we should interact with each other and our customers.



Towards the end of 2020, the council refreshed its Our People Strategy, to drive through the vision of Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

#### Embodying our Values and Behaviours, the Our People Strategy is built on 6 building blocks:

##### Our People Strategy building blocks

The building blocks provide the foundations for the delivery of Our People Strategy vision. We have identified six key building blocks:

For each building block we have a clear set of outcomes we need to achieve so that we can fulfill our vision and transform as an organisation in a way which is sustainable.

#### Our values - the Warwickshire DNA

To support the achievement of our vision, five key organisational values have been identified:



High performing



Collaborative



Customer focused



Accountable



Trustworthy



# At a glance

The Our People Strategy provides direction and focus for a range of projects and initiatives under six building blocks. 2021/22 activity, measurement of success and priority actions for 2022/2023 against each building block are summarised as follows:



**Progress** – Our wellbeing work has seen the achievement of Thrive bronze accreditation, launch of our approach to wellbeing and an updated Attendance at Work Policy. We have developed the future approach to engagement, whilst continuing to run regular check-in's with our people and prioritising actions based on their feedback. We continue to develop and progress an ambitious Equality, Diversity, and Inclusion (EDI) action plan.

**Measures** – Attendance levels have remained within target, Our Colleague Survey scores have remained strong with our wellbeing indicator at 83% and 11% above 2019 levels. Solid progress has been made against our EDI indicators.

**2022/2023** – Focus will continue on wellbeing, engagement, and EDI, these being key areas in which we aim to positively differentiate as an employer. The coming year will see further development of our culture in support of the Council Plan.



**Progress** – Our foundational work towards improved people management data and metrics will better equip leaders. We have continued to develop leadership capability through our Senior Leadership Forum (SLF). Positive gains have been seen in the approachability of senior managers, their role modelling of values and colleagues feeling trusted to do their jobs.

**Measures** – Our High-Performance Culture engagement measure brings together several leadership areas and has remained at a consistently high level.

**2022/2023** – Focus will continue on leading with data and developing our leadership offer.



**Progress** – Contributions have been made in the further development of our Performance Management Framework, Business Planning, individual Appraisals and Personal Development Plans

**Measures** – Our High-Performance Culture and Engagement scores have remained consistently high.

**2022/2023** – 360-degree feedback processes will be in place for all SLF members and if capacity allows, we will review and develop our performance and appraisal frameworks.



**Progress** – We launched our agile working offer, based on service delivery, choice and trust, and have provided a package of support and guidance for its implementation. This has supported the pandemic response. Activities to implement and support our service redesigns have continued.

**Measures** – The take up of agile working contracts continues to rise each month.

**2022/2023** – Focus will continue on developing the agile working approach, and if capacity allows, we will enhance the use of establishment data to support improved workforce planning.



**Progress** – Implementation and development of the employee benefits platform; phased roll out of the 'High5' peer- to-peer recognition system. Continuation of our Long Service and STAR recognition schemes.

**Measures** – Employee retention has maintained at sustainable rates whilst marginally above target.

**2022/2023** – Our focus will be to drive utilisation of existing processes with recognition being a key part of our Employer Value Proposition (EVP).



**Progress** – Recruitment activity has been extended in support of service redesigns and pandemic response. Indeed and GlassDoor profiles have been developed alongside recruitment microsites. Induction and onboarding processes have been enhanced to complement our EVP and support agile working. Foundational work on career pathways is underway in several services. A Children and Families workforce academy is in place. A Chartered Management Apprenticeship has been introduced.

**Measures** – The service has been strengthened in several key areas to improve frontline service delivery and respond to the pandemic. Headcount increases of 4.2% arising from increased service demand and Covid response have driven additional recruitment activity.

**2022/2023** – Continued focus on positive differentiation as an employer through our purpose, EVP, approach to EDI, the leadership we provide and the culture we build.

# Achievements against - Priority Projects

Following the launch of the Our People Strategy the following projects were identified as the Priority Projects for the next two years:

- Equality, Diversity, and Inclusion
- Agile Working
- Induction and Onboarding
- Creating a sustainable and resilient workforce
- Employee engagement
- Developing a recognition platform
- Embedding our employer brand
- Reviewing our recruitment processes

## Equality, Diversity, and Inclusion

Our EDI plan is moving at pace alongside supporting and advising other service areas as business as usual. Strides have been made in Learning and Development, partnership working, growing our Staff Networks and ensuring we have the infrastructure in place to provide data to inform our decision making and track progress. 2022 priorities include Our People Data campaign, inclusive recruitment and onboarding, and talent development. Our new look annual review format was presented to Staff and Pensions in September 2021.

## Agile Working

Agile Working was formally launched in March 2021. Colleagues have continued to work in an agile way and within pandemic guidelines. A series of communications and guidance have been provided and pilot teams have trialled new working arrangements. From our check-in surveys, we know that the majority of our people would like a mix of home and office working.

## Induction and Onboarding

Our online Induction offer has been updated and feedback is being sought from recent new starters on their induction experience to inform further developments.

## Sustainable and Resilient Workforce

The project has achieved Bronze Thrive

accreditation, Attendance at Work Policy launched and Our Approach to Wellbeing developed.

## Colleague Engagement

Our Check-in surveys have continued through 2021, whilst a review of the long-term approach has been developed. The new look, including our "Approach to engaging with our People" have been developed. An annual review of engagement will be shared with the Staff and Pensions Committee in June 2022.

## Recognition Platform

A phased roll out of the High-five peer to peer recognition platform has commenced with nearly 600 colleagues on board so far.

## Embedding our Employer Brand

The Employee Value Proposition (EVP) has been developed and is now embedded in attraction and recruitment activities. Opportunities are continually explored to improve the EVP messaging including the use of external platforms, microsites and colleague case studies.

## Recruitment Review

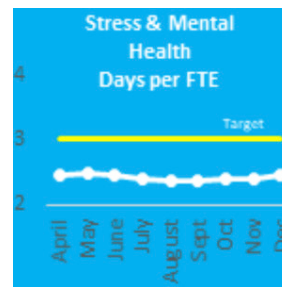
A review of the recruitment process has been completed with pre-employment checks and issuing of contracts being centralised within Human Resources.

# Measuring Success

Our People Strategy progress is tracked by a number of Key Business Measures (KBMs), indicators (KBIs). These are supplemented, where appropriate with other project specific measurements.



Sickness absence days per FTE employee increased slightly over the year whilst remaining within the target of 8 days per FTE (+/- 1 day)



Stress/anxiety/mental health sick absence days per FTE: our position remains consistent and around 0.5 below the 3 days per FTE target

**Employee Engagement**  
74%  
2020/21 = 76%  
Target = 78%

Employee Engagement has reduced slightly from a high of 76% in 2020 whilst still being 4% above the 2019 comparator

**High Performance Culture**  
76%  
2020/21 = 76%  
Target = 76%

Our High-Performance Culture measure scores 76%, which remains consistent with previous years and on target.

**Gender Pay Gap**  
2.6%  
Target 0% (+/-5%)

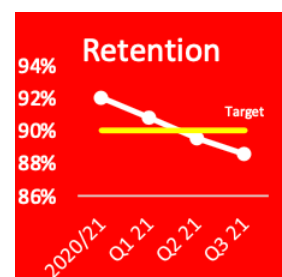
Our Gender Gap average at March 2021 was 2.6%, a reduction of 0.1% compared to 2020 and considerably below the national average pay gap of 15.4% which has increased from 14.9% in 2020.

**Ethnicity Pay Gap**  
-0.8%  
Target = 0% (+/-5)

Our Ethnicity Gap average at March 2021 was -0.8%, a reduction of 1.8% from -2.6% compared to 2020 and within target. There is no national and public sector mean benchmarking data as there is currently no statutory duty to report.

**Agile Working Contracts**  
45%  
Increased from 22% Dec 20

The % of our people who are on agile contracts has increased throughout the year and is currently at 45%.



Our Retention rate has reduced and is slightly below the target of 90%; this is expected given the wider national recruitment and retention challenge.

## Other Measures

- 2054 colleagues registered voluntarily for our employee benefits site (Vivup) in the first 12 months of operation and satisfaction with the benefits of working for Warwickshire have increased by 5% to 77%.
- 573 colleagues have registered for the recognition platform (High-five) which is currently subject to phased roll out and 76% of colleagues now believe that good performance is recognised and appreciated in their team, up from 67% in 2019.
- 88% of our people agree that internal communications keep them informed of what the Council is doing.

Other significant outcomes from our engagement surveys have include:

- 92% agree that their immediate manager trusts them to do their job.
- 64% agreed that Senior Managers are approachable, an increase on 16% from the previous year.
- 83% of colleagues believe that Warwickshire County Council values equality and diversity.

## Pandemic Response

Throughout the year our primary objective has been to keep our people safe and well. The service has consistently responded to requests for other priorities to support the pandemic response:

- Working with our Communications Team and Senior Leaders our colleagues have been regularly appraised of developments.
- Risk and Impact Assessments have been developed and implemented alongside enhanced HROD & Health Safety and Wellbeing support and advice.
- Intranet pages have been developed to become a “go to” resource for our people and Leaders.
- Systems for recording of Covid and Flu vaccinations have been developed.
- Covid testing centres have been resourced.
- Audit of the effective application of risk mitigations for temporary Covid working arrangements and learning for the future to be an attractive employer received substantial assurance when audited.




# Additional Achievements

Faced with an uncertain and changing landscape we responded positively to feedback, reprioritised and adapted our planned and business as usual activity in year:

- The new approach to modernising our Policy Framework has been agreed, with the first product – Attendance Management being launched in February 2022. Resources are being put in place to roll out across the whole HR policy framework.
- In collaboration with our Business Intelligence team, a number of dashboards are in development, with the first three (Workforce, Absence and Recruitment & Retention) in test phase for planned rollout in spring 2022. Metrics will enable our managers with real time access to a wide range of employee related data.
- The Vivup voluntary benefits platform provides our people with multiple savings and benefits, and we continue to look for other opportunities to improve. In excess of 2,000 colleagues have chosen to register.
- A volunteering and wellbeing day has been piloted across all service areas in year.
- Supplementary wellbeing activities introduced including development sessions – Cope Happy, Thrive Happy and Succeed Happy.
- Direct engagement with our colleagues has been further enhanced through Big Conversations, livestreams and workshops focusing on key priorities including Community Powered Warwickshire and Sustainability.
- Essential Human Resources and OD services have been maintained throughout the year within performance targets.
- Increased resourcing demands met with 4.2% headcount increase as services have been strengthened.
- Service Redesign programmes have been supported in response to service and Covid demands.
- HROD continues to support schools and public service customers with additional payroll and HR services as part of our commercial strategy.
- Recruitment process changes implemented, and support tools developed to enhance the hiring manager experience and improve compliance for offers, contracts and pre-employment checks.
- Progressive capture capability developed within the CRM system to enhance customer experience and reduce demand.
- Reviewed payroll processes resulting in improved audit outcome and movement from limited to substantial assurance.

# Review of the Our People Strategy and 2022/23 Delivery Plan:

- Our People Strategy was refreshed in 2020 and endorsed by Staff & Pensions Committee in December 2020.
- A commitment made to an annual Delivery Plan in support of the 5 year Our People Strategy.
- Our continued focus is progression towards our vision of creating a great place to work where diverse and talented people are enabled to be their best.
- Given the dynamic nature of the people agenda we are recommending the continuation of an annually developed and reviewed plan in support of our Council Plan.
- This plan largely focuses on strategic elements to advance Warwickshire County Council in addition to service developments to improve the efficiency and effectiveness of Human Resources and Organisational Development (HROD).
- These factors will shape the overall HROD plan; further influenced by business-as-usual activity which is both variable and carries significant resource demands.
- Activities have been prioritised to enable resources to be allocated to areas of maximum benefit and flexed to meet changes in organisational demand.
- To meet our vision WCC will need to attract, recruit, motivate and develop the diverse talent required to deliver our Council and supporting Service Business Plans.
- We have identified the need to positively differentiate through our purpose, EVP, approach to EDI, the leadership we provide and the culture we build.

<b>Building Block</b>	<b>Priority Areas</b> <i>Several of the priority areas initiated in year 1 of our plan will continue into 2022/23. New priorities are denoted by (n), and those in italics will be secondarily prioritised.</i>
	<b>Culture, values, and behaviours</b> <ul style="list-style-type: none"> <li>• <b>Sustainable and Resilient Workforce</b> - supporting the wellbeing of our workforce to enable our people to be well and in work and development of plans towards silver Thrive accreditation.</li> <li>• <b>Employee Engagement</b> – providing a framework where we can listen learn and act on the feedback from our people, to enable an engaged and high performing workforce.</li> <li>• <b>Equality, Diversity and Inclusion</b> – enabling everyone to feel valued, included, safe, supported and welcome, and places inclusivity at the heart of everything we do.</li> <li>• <b>Culture to support Council Plan (n)</b> – Ensuring our culture enables delivery of the Council Plan and our people embody and embrace the culture values and behaviours.</li> </ul>
	<b>Leadership</b> <ul style="list-style-type: none"> <li>• <b>People Metrics</b> – Leading with Data - Providing managers with the information they require to understand the issues in their workforce and effectively manage them.</li> <li>• <b>Leadership Offer (n)</b> – equipping our leaders to provide agile and situationally responsive leadership.</li> </ul>
	<b>Performance</b> <ul style="list-style-type: none"> <li>• <b>Reviewing performance management and appraisal approach (n)</b> – Providing a positive and rewarding framework for our people to embrace a high-performance culture</li> </ul>
	<b>Organisational development and design</b> <ul style="list-style-type: none"> <li>• <b>Agile Working Approach</b> – work is what you do not where you do it, with the customer and service delivery at the heart.</li> <li>• <b>Establishment enhanced activity (n)</b> – developing how we use our establishment to enhance workforce planning</li> </ul>
	<b>Reward and recognition</b> <ul style="list-style-type: none"> <li>• <b>Employer Value Proposition</b> - promoting what working for our organisation is all about to attract and retain the best people.</li> <li>• <b>Recognition platform</b> - implementing and monitoring our peer-to-peer recognition platform to enable our people to give and receive recognition.</li> </ul>
	<b>Talent development and career opportunities</b> <ul style="list-style-type: none"> <li>• <b>Induction and Onboarding</b> - improving how we induct and onboard our people who are new to the organisation and/or their role.</li> <li>• <b>Apprenticeship Pay (n)</b> - aligning apprentices' pay with National Minimum Wage rates and to address attraction and recruitment challenges.</li> <li>• <b>Recruitment, Retention and Talent Approach (n)</b>– flexible resourcing solutions to maximise talent, attraction and retention.</li> </ul>



	<ul style="list-style-type: none"> <li>• <b>Tier 1-4 recruitment process (n)</b>- reviewing the process applied when recruiting and assessing Tier 1-4 (Leadership &amp; Management) appointments.</li> <li>• <b>Apprentice first approach (n)</b> – providing a framework so that apprenticeships are routinely considered for entry level roles.</li> <li>• <b>Corporate Learning and Development Offer (n)</b> – ensuring that our corporate learning and development offer is relevant and meets the organisation's needs.</li> </ul>
	<p><b>Service Development and Assurance</b></p> <ul style="list-style-type: none"> <li>• <b>Policy, legal and compliance</b> – Reviewing our people policies to reflect the changing tone and voice of the organisation whilst ensuring they cover legal requirements.</li> <li>• <b>Pay Framework and National Living Wage (n)</b> – Determining how to accommodate the change to National Living Wage within our pay framework.</li> <li>• <b>Horizon scanning, forthcoming policy and legislation</b> – Ensuring the organisation to ready to adopt any changes – examples include exit cap, carers leave and flexible working rights.</li> <li>• <b>HR System (n)</b> – Planning for contract renewal including options for potential successor system.</li> <li>• <b>Lone Workers (n)</b> – Identifying, sourcing, and introducing a technological solution which improves the safety and security of lone workers.</li> <li>• <b>HROD Service Development (n)</b> - Continuing to develop and improve our OneHR service offer and manage demand.</li> <li>• <b>HR Commercial Strategy (n)</b> – Developing our strategy so our traded services remain strong in an increasingly competitive marketplace.</li> </ul>

## Measuring Success 2022/2023

Our high-level success measures form part of the Warwickshire Performance Framework and will be mapped through our Key Business Measures (KBM's) and Key Business Indicators (KBI's).

The following Key Business Measures and Key Business Indicators will enable us to track our success and prioritise activities for future years.

### Key Business Measures

#### (KBMs)

- Attendance – Days Lost per FTE colleague (rolling 12- month average)

#### Colleague Engagement:

- Overall % agree I feel safe to be my authentic self at work.
- Overall % agree that they are proud to work for Warwickshire County Council
- Overall % agree that wellbeing is promoted at work
- Overall % agree the councils internal communications keep me informed of what the council is doing

### Key Business Indicators

#### (KBIs)

- Attendance – Days lost per FTE colleague to stress, anxiety, or mental health (rolling 12-month average)
- Colleague Retention – percentage retention rate (rolling 12-month average)
- Gender Pay Gap – Mean Average
- Ethnicity Pay Gap – Mean Average
- Disability Pay Gap – Mean Average
- High Performance Culture – % agree colleague survey

*KBMs and KBIs will be supported by further indicators in development as part of our Data Metrics Project*



# Conclusions

- **2021/2022 has been a challenging but successful year for delivery against the Our People Strategy whilst managing the dynamics of the pandemic. Particular successes include:**
  - Achieving Bronze Thrive at Work Accreditation.
  - Foundational work to modernise all our policies, as well as how we articulate “Our Approach” in key areas such as wellbeing, engagement; track performance and celebrate success through the use of Annual Reviews: Health, Safety & Wellbeing; Sustainable and Resilient Workforce; Equality, Diversity & Inclusion, and; Colleague Engagement.
  - Defining and launching our Agile Working Offer.
  - Developing approaches for listening to the voice of our people.
  - Developing people metrics dashboards, which when launched will support managers to lead with data.
  - Piloting the Hi-Five recognition platform.
  - Reviewing our recruitment services, and enhancing the service offer to managers.
  - Continuing to embed our Employer Value Proposition.
  - Maintaining high levels of performance in key areas in an ever-changing environment.
- Alongside the longer-term strategic deliverables we have continued to support our people and enabled them to continually deliver for the people that we serve.
- Our measures have mainly remained on target, with some particular successes in terms of stress and mental health absence, EDI and the gender pay gap. We are tracking on target in terms of absence, high-performance culture and ethnicity pay gap. Our plans aim to address engagement and retention, where the outturn is tracking marginally outside target.
- In addition to supporting the Our People Strategy our HROD Delivery colleagues strive to enhance the service offer to our customers whilst continuing to deliver a wide range of essential HROD services across the Council and beyond.
- Many of our major projects and initiatives will continue into 2022/2023 and are supplemented by a number of new key activities that will enable the Council to be the best it can be and support the delivery of our Council Plan.
- We will continue to develop the HR service that we can all be proud of, with exceptional service delivery for our customers today and tomorrow.

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## Staff and Pensions Committee

7 March 2022

### Apprentices' Pay Report

#### Recommendation

That the Committee approves the proposal to increase the rate of pay for entry level apprenticeship roles from 1 April 2022 to be aligned to the National Minimum Wage rate for 18–20-year-olds (£6.83 per hour/£13,140 per annum).

#### 1. Executive Summary

- 1.1 Since 2014, Warwickshire County Council (WCC) has paid entry level apprentices an hourly rate based on the National Minimum Wage (NMW) for 16-17-year-olds. This rate is greater than the Apprentice NMW as we have sought to avoid being a legal minimum wage employer. The NMW rates are set by Government and increase slightly every year, as does the WCC apprentices' pay scale.
- 1.2 From 1 April 2022, both the Apprentice and the 16-17-year-old NMW rate will align at £4.81 per hour. This means that the Apprentice rate has essentially “caught up” over time which will, by default, mean that WCC becomes a minimum wage employer of apprentices. Reputationally, this will be a negative development and makes WCC apprenticeships less attractive to potential applicants.
- 1.3 Entry level apprenticeship vacancies at WCC have already been struggling for suitable applicants; both in terms of quantity and quality. To put it into context, in 2021 there were 45 applications for entry level roles across 12 recruitment campaigns, compared to 168 applications for just five higher apprenticeship recruitment campaigns which are paid at a higher rate (Pay Point 3 in the first table below). There have been several failed recruitment campaigns for entry level apprenticeship posts in recent years.
- 1.4 An increase to the apprentices' entry level pay is expected to make an apprenticeship with WCC more attractive and contribute towards the success of, and benefits from, the apprenticeship programme that have been identified in this report. It would also help to pave the way for the proposed Apprenticeship First recruitment model which is currently being developed.

## 2. Financial Implications

- 2.1 Currently, an entry level apprentice at Point 1 WCC (APPW) costs £12,031 for the first year in post, including on-costs.
- 2.2 Using Point 2 (APP2) as the starting point will raise the first-year salary to £17,083 with on-costs.
- 2.3 On that basis, each apprentice will cost an additional £5,052 for their first year. For illustrative purposes, the table below shows the number of entry level apprentices recruited since 2017/18. The additional cost based on the 2021/22 intake of 9 apprentices would be £45,468. This additional cost would be met by the central fund for apprenticeships.

Year	Number of entry level apprentices recruited
2017/18	23
2018/19	31
2019/20	19
2020/21	8
2021/22	9

- 2.4 The second-year costs and beyond of an apprenticeship are subject to the age of the apprentice, since by law they must be paid the NMW rate for their age after one year in post. This is why the points of the pay scale are all aligned to NMW rates, and so each apprentice automatically moves to the correct point for their age after one year. The extra costs only therefore apply to the first year of each apprenticeship.
- 2.5 A further cost will be raising the pay of the existing entry level apprentices who have not yet reached a year in post and who are currently paid at Point 1 WCC. This will take effect from 1 April 2022 and will apply to six current apprentices. Their salary costs are covered by the central apprenticeship fund and there are sufficient funds within this budget to cover these extra costs, which are estimated to be approximately £15,000.
- 2.6 It is worth noting that since 2018/19, only four entry level apprentices were funded by their own service; the others being paid for from the central fund. It is anticipated that the recruitment to apprenticeships will remain reliant on services accessing the central fund pending the Apprentice First model coming on stream, particularly as an increase in the entry level salary rate will increase the costs.

### 3. Environmental Implications

3.1 None.

### 4. Supporting Information

4.1 The full apprentice pay scale for 2021/2022 is:

<b>WCC Apprentices Pay Scale 2021/22</b>	<b>Hourly Rate</b>	<b>Annual Rate</b>
Point 1 (APP1) – NMW for apprentices, only available for maintained schools	£4.30	£8,301
Point 1 WCC (APPW) – NMW for 16-17 y/o's, starter rate for entry level apprentices	£4.62	£8,919
Point 2 (APP2) – NMW for 18-20 y/o's	£6.56	£12,664
Point 3 (APP3) – starter rate for higher and/or care experienced apprentices, NMW for 21-22 y/o's	£8.36	£16,139
Point 4 (APP4) – NLW for age 23+	£8.91	£17,201

4.2 Apprentice pay is automatically progressed after one year in post to the NMW rate for their age, hence why each NMW rate is part of our pay scale. Please note that Point 1 (APP1) is only available for use by maintained schools.

4.3 The proposal is to increase the rate of pay for entry level apprenticeship posts to that of the NMW rate for 18–20-year-olds (Point 2). From 1 April 2022, this will be £6.83 an hour, approximately £13,140 per annum for a full-time apprentice.

4.4 “Point 1 WCC (APPW)” will be removed from April 2022, whilst Point 1 (APP1) will remain available as an option for maintained schools only, some of whom may otherwise struggle to afford to engage an apprentice

4.5 If this change is implemented, the new pay scale and rates will be:

<b>WCC Apprentices Pay Scale 2022/23</b>	<b>Hourly Rate</b>	<b>Annual Rate</b>
Point 1 (APP1) – NMW for apprentices/16-17 year olds, only available for maintained schools	£4.81	£9,244
Point 2 (APP2) – starter rate for entry level apprentices, NMW for 18-20 year olds	£6.83	£13,140
Point 3 (APP3) – starter rate for higher and/or care experienced apprentices, NMW for 21-22 year olds	£9.18	£17,662
Point 4 (APP4) – NLW for age 23+	£9.50	£18,278

4.6 The benefits from this increase in pay will be:

- A likely increase in interest and applications for apprenticeship vacancies at entry level
- Avoiding the reputational damage caused by perceptions of using apprentices as cheap labour
- Making WCC apprenticeships more inclusive, by being more supportive for apprentices' costs of living, increasing accessibility for people from more disadvantaged backgrounds, and potentially widening accessibility geographically by being more supportive of travel to work costs
- Greater reward for apprentices provides greater likelihood of their commitment to their role and completion of their apprenticeship, retaining their talent and the skills they learn throughout their programme
- It narrows what is currently a significant pay gap between entry level apprentices and higher apprentices

4.7 These benefits will be significant to the proposal to adopt an Apprenticeship First recruitment model and the success of this proposal, which is currently in its early developmental stages. The proposed model would be on the basis that all entry level roles would automatically be considered for an apprenticeship first unless there is justification not to do so. It would be temporarily changing an existing vacancy to an apprenticeship, effectively making it a training role where the apprentice would be guaranteed a permanent position, subject to successful completion of the apprenticeship, which is not part of our current apprenticeship offer.

4.8 There is a separate policy approved previously that Warwickshire care leavers who undertake an apprenticeship will be paid at Point 3 of the pay scale, regardless of the level of the apprenticeship. This supports their costs of living and their ability to do an apprenticeship in the first place. It is worth noting that there are no plans to change this for care leavers.

## **5. Timescales associated with the decision and next steps**

5.1 If approved, the rate of pay for entry level apprenticeship roles will be increased from 1 April 2022 to be aligned to the National Minimum Wage rate for 18–20-year-olds (£6.83 per hour) and the current Point 1 WCC (APPW) will be removed.

## **Appendices**

None.

## **Background Papers**

None.

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Other members: n/a

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## Staff and Pensions Committee

7 March 2022

### Local Government Pension Scheme Employer Pensions Discretions Policy

#### Recommendation

That the Committee approves the LGPS Employer's Pensions Discretion policy attached in Appendix 2.

#### 1. Executive Summary

Warwickshire County Council is both a scheme employer and the administering authority of the Local Government Pension Scheme ("Scheme").

The various Scheme regulations all require that each Scheme employer must formulate, publish and keep under review a statement of their policy concerning all mandatory discretions which they have the power to exercise in relation to members of the Scheme. It is also recommended by the LGA that the same action is taken in respect of non-mandatory discretions.

Currently, policy information concerning the exercise of certain pension discretions by the Council as a Scheme employer can be drawn from a number of places. Where there is no specific policy information about a discretion, the Pay Policy Statement confirms that discretion will be exercised on a 'case by case' basis. However, there is no single document which gives full consideration to each of the required mandatory discretions and those non-mandatory ones where a policy decision is recommended.

It is proposed that there is a convenient single document which draws together all of the existing policy information. The draft Policy is at Appendix 2.

No changes are proposed to any of the existing published policies concerning the exercise of pension discretions. Where there is no published policy at present, the draft Policy sets out a proposed policy statement.

#### 2. Financial Implications

The Pensions Ombudsman has discretion to award compensation for distress and inconvenience for maladministration even where no legal rights have been infringed for instance in circumstances where a delay has been caused by a discretion not

being exercised properly. Such awards range between a nominal sum and £2,000 with exceptional cases exceeding that sum.

Decision makers should obtain legal advice on complex cases, as these may incur a cost to the relevant service

### **3. Environmental Implications**

None.

### **4. Supporting Information**

Discretions are powers that enable employers to choose how to apply the Scheme regulations in respect of certain provisions. When the Council sets and reviews these employer discretions, consideration is given to:

- Cost – discretionary powers come with a cost attached - policies must not lead to a loss of confidence in public services, therefore have to be affordable
- Basis on which decisions are made – policies should not be so rigid or restrictive as to prevent flexibility where a possibly unanticipated situation requires it
- Equality – criteria that do not discriminate and where decisions are objectively justified

There are many employer pension discretions however only a relatively small number have to be published.

Currently, policy information concerning the Council's employer pension discretions can be drawn from:

- Staff and Pensions Committee approval of various discretions (both mandatory and non-mandatory) in 2015, following the commencement of the 2014 Scheme (Appendix 1).
- The Council's Pay Policy Statement.
- The Council's Flexible Retirement Policy
- The Council's Redundancy Policy
- The Council's Constitution

A review of the discretions identified a lack of clarity in some areas, in particular the Council's approach to members with deferred benefits. There are also some mandatory discretions for which there is no published policy save for a catch-all provision in the Pay Policy Statement that such discretions will be exercised on a 'case by case' basis in accordance with the Council's scheme of delegation.

The draft Policy incorporates the existing policy information and cross refers to other policy documents where appropriate.

Where there is no existing policy statement for a discretion, the proposed policy statement is in red text in the draft Policy.

In view of the requirement to keep discretions policies under review, a review period will be set to every 3 years or earlier when changes to legislation or guidance takes place.

It is likely that further changes will be necessary in due course, following changes to legislation and statutory guidance in relation to:

- The use of Special Severance payments
- The Public Sector Exit Payment Cap

## 5. Timescales associated with the decision and next steps

The policy can be implemented immediately and will be published by the Warwickshire Pension Fund and on the Council’s website.

### Appendices

1. Staff & Pensions Committee report December 2015
2. Draft Local Government Pension Scheme Employer Pensions Discretions Policy

### Background Papers

None

	<b>Name</b>	<b>Contact Information</b>
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The report was circulated to the following members prior to publication:

Local Member(s):

Other members:

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## Staff and Pensions Committee

14 December 2015

### Local Government Pension Scheme Discretions

#### Recommendations

- (1) That the Committee note the content of the report and approve the proposed Local Government Pension Scheme discretions.
- (2) That the Committee commission WCC officers to undertake the further work described in paragraph 3.2

#### 1.0 Key Issues

- 1.1 The Local Government Pension Scheme Regulations 2013 came into effect in 2014. Within the regulations is a requirement for employing authorities to determine and publish the approach it will take in certain key areas of pension policy.
- 1.2 This report details the policy areas where the employer has discretion and proposes a way forward for Members to consider.
- 1.3 Where the proposals do not involve a change to the council's current practice, this is indicated.

#### 2.0 Proposals

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
9.	Determine rate of employees' contributions	For existing members the contribution band is determined on pay in April each year. The banding will not normally be reassessed unless in exceptional circumstances the members pay is substantially reduced.	No change

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
		For new employees / scheme members the band is assessed on the salary and additional payments on the date of commencement. This includes existing employees / scheme members who move to new employment during the year.	
16.	<p>Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contribution (APC) scheme.</p> <p>a) A scheme member can choose to buy extra annual pension up to a maximum of £6,500 using an APC. The employee can choose to make regular contributions or a one off payment. An employer can choose to fund the APC in whole or in part.</p> <p>b) To buy 'lost' pension for authorised leave of absence (including any period of unpaid additional maternity, paternity or adoption leave). Where an employee elects to pay an APC to purchase any or all of the amount of pension 'lost' during the period of absence and makes the election within 30 days of returning to work the employer shall pay 2/3rds of the cost of the APC (a shared cost APC).</p>	The County's existing policy is on granting additional membership under the 2008 scheme is that no additional pension will be awarded to active members.	No change to granting additional membership and it is further proposed that the County Council shall not fund the APC in whole or in part.
17.	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements entered into on or after 1 April 2014.	No shared cost AVC to be established	No change
20.	Specify in an employee's contract what other payments or benefits, other than specified in Reg20(1)(a) and not otherwise precluded by Reg20(2), are to be pensionable.	All pay specified in the employee's contract of employment is pensionable.	No change
22(7)(b).	Whether to extend the 12 month option period for a member to elect	To allow in exceptional circumstances where it is	No change

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
	that deferred benefits should not be aggregated with an ongoing concurrent employment.	clear there has been an administrative delay by the employer or the scheme administrator.	
<b>22(8)(b).</b>	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.	To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or the scheme administrator.	No change
<b>30(6) and Transitional Regs 11(2)</b>	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	That Strategic Directors are granted discretionary power to grant flexible retirement and thus immediate release of all or part of pension benefits.	No change
<b>30(8)</b>	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.	The County Council currently allows for consideration to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.	No change
<b>Trans Regs Sch2 para2(2)</b>	Whether in respect of benefits from pre 1 April 2014 membership, to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (subject to a minimum actuarial reduction to the date the member meets the 85 year rule or to age 60, whichever is the later).	Under the current regulations, a member who benefits under the protections afforded under the rule of 85 cannot retire without the agreement of their employer. If the employer agrees to their retirement and the employee is aged between age 55 and 60, the council incurs the cost.	<p>LGPS2014 allows a member protected by the rule of 85 to retire early without their employer’s agreement as long as the employee suffers the actuarial cost themselves.</p> <p>It is therefore proposed that the Council has a policy of “switching off” the rule of 85 protections for affected members on a case by case basis.</p> <p>This would allow those staff who wish to retire under the 85 year rule and take the actuarial reduction themselves (at no cost to the council), to do so.</p>

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
<b>Trans Regs Sch2 para2(3)</b>	Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the employer has “switched on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.	No change
<b>31</b>	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 per annum)	That augmentation of pensionable service should only be applied in exceptional cases where this is necessary to address a situation where there would otherwise be a significant risk of harm to the County Council’s services or objectives.	No change
<b>100(6)</b>	Extend normal time limit for acceptance of a transfer value beyond twelve months from joining the LGPS.	To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or the scheme administrator  (This is now a joint policy with the Administering Authority to prevent scheme employers from accepting late applications without good reason.)	No change

### 3.0 Next steps

- 3.1 Any decisions made by Members in relation to the delegations will be communicated to the LGPS scheme members through the Council’s website.
- 3.2 If Members approve the proposals in this paper, the Council should revisit its flexible retirement policy to ensure it remains fit for purpose.

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# LGPS Employer Pensions Discretions

## Policy

Warwickshire County Council

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## 1. Purpose

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- 1.1 This document outlines Warwickshire County Council’s policy on the application of all mandatory and some non-mandatory discretions which we have the power to exercise in relation to members of the Local Government Pension Scheme (Scheme).

## 2. Scope

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- 2.1 The various discretions noted apply to specific groups of members of the Scheme based on their date of entry into the Scheme. This is outlined in the relevant section of the policy.

## 3. What are Discretions?

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- 3.1 Discretions are powers that enable employers to choose how to apply the rules of the Scheme in respect of certain provisions.

- 3.2 There are many employer discretions in the current Scheme regulations and several more still existing from previous Schemes; however only a relatively small number of employer discretions have to be published.

- 3.3 Discretions fall into two categories:

- i. Those which must be formulated and published (mandatory discretions).
- ii. Those which don’t need to be formulated and published (non-mandatory discretions)

- 3.4 A summary of the mandatory discretions applied by Warwickshire County Council (“the Council”) are outlined in Section 5 and those which are non-mandatory in Section 6. Some of these discretions are also referred to in relevant HR policies or guidance, for example the [Flexible Retirement policy, Redundancy](#) and the Council’s [Pay Policy Statement](#) .

## 4. Responsibilities

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- 4.1 Employers who participate in the Scheme are required to draw up and publish an Employer Discretions policy and to keep the policy under review (e.g. in relation to any legal or policy developments).

4.2 In applying this policy, the Council will ensure that:

- It applies the discretions reasonably, after taking account of all relevant factors, for example the cost to the Council balanced against the benefit to scheme member;
- Its discretions are not fettered, i.e. being used in such a way that individual circumstances cannot be considered; and
- That all discretionary decisions are recorded.

4.3 In February 2021 the Staff & Pensions Committee approved the Council's Internal Disputes Resolution Procedure and determined that Employer Pensions Discretions unless otherwise stated will be considered by the relevant Tier 3 Service Manager. All requests by current employees for the exercise of a discretion under this policy should, in the first instance, be made in writing to their manager who will then liaise with HR over the approval process. The request should contain all of the supporting information that the member considers relevant, and each request will be considered on its specific merits and circumstances.

4.4 Where an employee has left the Council service they should address their application to the Assistant Director (Governance & Policy) who will make the necessary arrangements for their request to be considered.

4.5 Some discretions may be exercised on 'compassionate grounds', which can cover a variety of situations. Where a member believes that compassionate grounds exist, these should be detailed in their written request. The Council reserves the right to seek additional information or evidence (including medical evidence) should it feel necessary.

4.6 Decisions on all Flexible Retirements are delegated to the Strategic Director for Resources and the application process can be found in the [Flexible Retirement Policy](#).

4.7 Decisions in relation to voluntary redundancies or early retirements which may incur a pension strain cost to the Council are delegated to the Chief Executive, (after consultation with the Chair of the Staff and Pensions Committee and Chair of the Cabinet), under the Council's [Constitution](#) (Part 2(10.2) para 24) .

## 5. Application of Mandatory Discretions

The policy in respect of each employer discretion is set out below, however, the Council may give further consideration where there are exceptional circumstances and clear merit, or where the cost is not considered to be significant or material.

5.1 The following discretions apply to members who were actively paying into the scheme as at 1 April 2014 onwards

<b>1</b>	
<b>Discretion</b>	<b>Whether, at the full cost to the Scheme employer, to grant extra annual pension within the applicable statutory limit in force from time to time, to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency</b>
<b>Regulation</b>	31 LGPS Regulations 2013
<b>WCC Policy</b>	The Council's Pay Policy states that the award of additional pension should only be applied in exceptional circumstances where this is necessary to address a situation where there would otherwise be a significant risk of harm to the County Council's services or objectives.
<b>2</b>	
<b>Discretion</b>	<b>Whether, how much, and in what circumstances to contribute to a Shared Cost APC scheme ("Shared Cost Additional Pension Contribution").</b>  Where an active scheme member has decided to make Additional Pension Contributions to purchase extra pension benefits <b>within the applicable statutory limit in force from time to time</b> , the employer can resolve to <b>voluntarily</b> contribute towards the cost of this too.  Note: This does not include instances where the employee is paying for <b>lost</b> pension via an APC where the election was made in the first 30 days (or longer if the employer allows) – in this circumstance the employer <b>must</b> pay two-thirds of the cost of such purchase
<b>Regulation</b>	16(2e) and (4d) LGPS Regulations 2013
<b>WCC Policy</b>	No additional pension will be awarded to active members and WCC will not fund the APC in whole or in part.

3	
<b>Discretion</b>	<p><b>Whether to allow flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduces their working hours or grade and, if so, as part of the agreement to allow flexible retirement:</b></p> <ul style="list-style-type: none"> <li>• <b>whether, in addition to the benefits the member has built up prior to 1 April 2008 (which the member must draw), to allow the member to choose to draw</b></li> <li>• <b>all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or</b></li> <li>• <b>all, part or none of the pension benefits they built up after 31 March 2014 and</b></li> <li>• <b>whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA)</b></li> </ul> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up whilst still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives the reduction either fully or in part or a member has protected rights.</p> <p>If members are allowed to retire under flexible retirement, and they meet the 85 year rule between the ages of 55 and 60, there may be a pension strain cost to the employer as there is no option to switch the 85 year rule off in this instance.</p>
<b>Regulation</b>	<p>30 (6) of the LGPS Regulations 2013); [regulations 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], [regulation 3(5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and Regulations 30(6) and 30(8) of the LGPS Regulations 2013)</p>

<p><b>WCC Policy</b></p>	<p>In accordance with the Council’s <b>Flexible Retirement Policy</b>; the Strategic Director for Resources, based on a recommendation from the relevant Assistant Director, is granted discretionary power to grant flexible retirement and thus immediate release of pension benefits.</p> <p>The Strategic Director for Resources will only consent to a flexible retirement application where the employee elects to draw all of the benefits that relate to their LGPS membership.</p> <p>The Council currently allows for consideration to waive the actuarial reduction to the benefits where the member has requested flexible retirement to care for a chronically ill spouse or partner.</p>
<p>4</p>	
<p><b>Discretion</b></p>	<p><b>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</b></p> <p>Active members are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.</p> <p>This discretion does not apply to flexible retirement (see <u>Regulation 30(6)</u>) whereby the 85 year rule is always switched on.</p> <p>Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule.</p> <p>If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.</p>
<p><b>Regulation</b></p>	<p>Paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014</p>
<p><b>WCC Policy</b></p>	<p>The Council has a policy of “switching off” the rule of 85 protections for affected members on a case by case basis. This would allow those staff who wish to retire under the 85 year rule and take the actuarial reduction themselves (at no cost to the council), to do so.</p>

5	
<b>Discretion</b>	<p><b>Whether to waive, in whole or in part, any actuarial reductions on benefits which a member voluntarily draws before normal pension age (other than on the grounds of flexible retirement).</b></p> <p>Employers can agree to waive any actuarial reductions due in the case of employees retiring any time after age 55.</p> <p>Employers should also note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.</p> <p><b>There are four member groups to which the policy may apply and various circumstances in which reductions can be waived based on joining date and age at a specific date.</b></p>
<b>Regulation</b>	30(8) LGPS Regulations 2013, 3(1), Sch 2, para 2(1), B30(5) and B30A(5) LGPS Transitional Provisions, Savings and Amendment) Regulations 2014
<b>WCC Policy</b>	Consideration will be given to the waiving of the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.

**5.2 Discretions applying to members who left the scheme between 1 April 2008 and before 1 April 2014**

6	
<b>Discretion</b>	<p>Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 or upon the voluntary early payment of a suspended tier 3 ill health pension?</p> <p>A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employer’s consent. However, these benefits will be reduced for early payment.</p> <p>Where a member has reached the 85 year rule at the point of retirement, an employer can consent to switching on the 85 year rule. Any ‘strain’ to the Fund will be payable by the Scheme employer.</p>





<b>Regulation</b>	Paragraph 1(1)(c) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
<b>WCC Policy</b>	The Council has a policy of “switching off” the rule of 85 protections for affected members on a case by case basis. This would allow those staff who wish to retire under the 85 year rule and take the actuarial reduction themselves (at no cost to the Council), to do so.
<b>7</b>	
<b>Discretion</b>	<p><b>Whether to waive reductions which may occur on deferred benefits claimed between ages 55-60 or suspended tier 3 ill health for leavers between 1 April 2008 and 31 March 2014.</b></p> <p>A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 or was awarded a Tier 3 ill health pension under the 2007 Regulations and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employer’s consent. However, these benefits will be reduced for early payment.</p> <p>An employer can consent to waiving any reductions, on compassionate grounds, which may be applied to deferred benefits or suspended tier 3 ill health pension paid early.</p>
<b>Regulation</b>	30(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
<b>WCC Policy</b>	Consideration will be given to the waiving of the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.

### 5.3 The following discretions apply to members who left the scheme between 1 April 1998 and before 1 April 2008

8	
<p><b>Discretion</b></p>	<p><b>Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.</b></p> <p>Deferred members who left the scheme after 1 April 1998 are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85 year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the ceding employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.</p> <p>Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not</p> <p>If the employer does agree to “switch on” the 85 year rule, the employer will have to meet the</p> <p>cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule or will meet it before age 60.</p>
<p><b>Regulation</b></p>	<p><b>Whether to ‘switch on’ the 85 year rule upon the voluntary early payment of deferred benefits [paragraph 1 (1) (f) &amp; 1 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) regulations 2014]</b></p>
<p><b>WCC Policy</b></p>	<p><b>The Council has a policy of “switching off” the rule of 85 protections for affected members on a case by case basis. This would allow those staff who wish to retire under the 85 year rule and take the actuarial reduction themselves (at no cost to the council), to do so.</b></p>

9	
<b>Discretion</b>	<p><b>Whether to grant application for early payment of deferred benefits on or after age 50 and before age 55.</b></p> <p>A member with a deferred benefit who left the scheme between 1 April 1998 – 31 March 2008 can claim their benefits from age 50 with their employer's consent.</p> <p>However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004</p>
<b>Regulation</b>	<p><b>Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55</b> [regulation 31(2) of the LGPS Regulations 1997].</p>
<b>WCC Policy</b>	<p>Any requests for preserved benefits to be released early will be considered on an individual basis where the case is one of compassion, taking into account the representations of the member and any associated costs to the Council.</p>
10	
<b>Discretion</b>	<p>Whether to waive any actuarial reduction on compassionate grounds which would normally be applied to benefits which are paid before age 65. Employers can agree to waive any actuarial reductions on compassionate grounds due in the case of employees who ceased active membership between 1 April 1998 and 31 March 2008.</p> <p>Employers should note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.</p>
<b>Regulation</b>	<p><b>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65</b> [regulation 31(5) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].</p>
<b>WCC Policy</b>	<p>Consideration will be given to the waiving of the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.</p>

#### 5.4 The following discretions apply to members who ceased active membership before 1 April 1998

11	
<b>Discretion</b>	<p>Whether to grant early payment of a deferred benefit on compassionate grounds, on or after age 50 and before Normal Retirement Date.</p> <p>An employer can grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.</p> <p>However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004</p>
<b>Regulation</b>	<p><b>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before Normal Retirement Date on compassionate grounds</b> [regulation D11(2)(c) of the LGPS Regulations 1995].</p>
<b>WCC Policy</b>	<p>Any requests for preserved benefits to be released early will be considered on an individual basis <b>where the case is one of compassion</b>, taking into account the representations of the member and any associated costs to the Council.</p>

## 6. Application of Non-Mandatory Discretions

12	
<b>Discretion</b>	<p><b>Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.</b></p>
<b>Regulation</b>	<p>17 of the LGPS Regulations 2013 and 15(2A) of the LGPS Transitional Provisions, Savings and Amendment Regulations 2014</p>
<b>WCC Policy</b>	<p>No shared cost AVC to be established</p>

13

<b>Discretion</b>	<b>Whether to extend the time limit for a member to elect to purchase additional pension by way of a Shared Cost Additional Pension Contribution upon return from a period of absence?</b>
<b>Regulation</b>	16(16) of the LGPS Regulations 2013
<b>WCC Policy</b>	Under the mandatory discretions (Regulation 16(10)) the County Council will not fund the Shared Cost Additional Pension Contribution in whole or in part. Therefore there can be no extension to the time limit in this case.
<b>14</b>	
<b>Discretion</b>	<b>Whether to extend the 12 month time limit for a member to elect to transfer pension rights from another registered pension scheme into the Scheme with the agreement of the Administering Authority.</b>
<b>Regulation</b>	Transfers of Pension Rights Regulation 100(6)
<b>WCC Policy</b>	To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator.
<b>15</b>	
<b>Discretion</b>	<b>Whether to extend the 12 month time limit for a member to elect not to aggregate Post 31 March 2014 (or combinations of Pre April 2014 &amp; Post March 2014) deferred benefits in relation to a concurrent or new employment</b>
<b>Regulation</b>	22 (7b and 8b) LGPS Regulations 2013
<b>WCC Policy</b>	To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator.
<b>16</b>	
<b>Discretion</b>	<b>Whether to extend the 12 month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits</b>
<b>Regulation</b>	10(6) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 as amended by regulation 27 of the LGPS (Amendment) Regulations 2018
<b>WCC Policy</b>	To allow in exceptional circumstances where it is clear there has been an administrative delay or error by the employer or the scheme administrator.

<b>17</b>	
<b>Discretion</b>	<b>How an employee's contribution band will be initially determined and thereafter reviewed</b>
<b>Regulation</b>	9 and 10 of the LGPS Regulations 2013
<b>WCC Policy</b>	<p>For existing members the contribution band is determined on pay in April each year. The banding will not normally be reassessed unless in exceptional circumstances the members pay is substantially reduced.</p> <p>For new employees / scheme members the band is assessed on the salary and additional payments on the date of commencement. This includes existing employees / scheme members who move to new employment during the year</p>
<b>18</b>	
<b>Discretion</b>	<b>Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP)</b>
<b>Regulation</b>	<p>21(4)(a)(iv), 21(4)(b)(iv) and 21(5) of the LGPS Regulations 2013</p> <p>21(5) In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a "regular lump sum"</p>
<b>WCC Policy</b>	<p>The Council does not include any "regular lump sum" to determine Assumed Pensionable Pay for periods of absence, except when determining calculations for ill health retirement or death in service when the Council will consider each case on its merits. In such cases, the primary criteria will be whether it could reasonably be expected that the member would have been likely to receive that regular payment for the foreseeable future</p>
<b>19</b>	
<b>Discretion</b>	<b>Whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)?</b>
<b>Regulation</b>	21(5A) and 21(5B) of the LGPS Regulations 2013]. Although, this discretion is NEW, its effective date is backdated to 1 April 2014 by way of regulation 7 of the LGPS (Amendment) Regulations 2018

	<i>In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a "regular lump sum". R21(5) Employer Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.</i>
<b>WCC Policy</b>	Where pensionable pay in the 3 month period prior to commencement of APP is materially lower than the level of pay that would normally have been received, the Council will not normally substitute this with a higher level of pensionable pay, except when determining calculations for ill health retirement or death in service when the Council will consider each case on its merits.
<b>20</b>	
<b>Discretion</b>	<b>Specify in an employee's contract what other payment or benefits other than specified in Reg 20(1)(a) and not otherwise precluded by Reg 20(2) are to be pensionable</b>
<b>Regulation</b>	20(1)(b) pf the LGPS Regulations 2013
<b>WCC Policy</b>	All pay specified in the employee's contract of employment is pensionable.

## 7. Injury Allowances

<b>21</b>	
<b>Discretion</b>	<b>Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Injury Allowance payments</b>

<b>Regulation</b>	(Regulations 3 to 7 of the Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011)  The regulations clarify that Injury Allowance Schemes can apply to any employer eligible to participate within the Local Government Pension Scheme (LGPS) and who is listed in the schedule contained within the LGPS (Administration) Regulations 2008. Any eligible employer is required to publish, and keep under review, a written policy statement detailing the provisions of any discretionary Injury Allowance Scheme in place.
<b>WCC Policy</b>	<b>The Council does not grant any injury allowance.</b>

## 8. Redundancy Payments and Compensatory Added Years

8.1 Where a pension becomes payable as a result of redundancy (compulsory or voluntary) detailed information regarding the qualification & calculation of redundancy pay can be found in Warwickshire County Council's policy on Redundancy (see link below). Any employee who is being made redundant will receive information regarding bringing the payment of pension benefits once it has been approved.

<b>22</b>	
<b>Discretion</b>	Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government
<b>Regulation</b>	Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2000 1. Abatement during re-employment Reg 17.1
<b>WCC Policy</b>	<b>The County Council will no longer apply the abatement rule save in exceptional circumstances where it determines that to not abate the pension in payment could lead to a serious lack of confidence in the public service. (See Pay Policy Statement)</b>



23	
<b>Discretion</b>	How to reduce the member's annual compensatory added years payment following the cessation of a period of reemployment in local government
<b>Regulation</b>	Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2000 2. Reduction following cessation of re-employment Reg 19.1
<b>WCC Policy</b>	The appropriate reduction referred to in Regulation 19 (1) shall be determined in the same manner as would previously have been the case under Regulation 16 of the Local Government (Discretionary Payments) Regulations 1996.
24	
<b>Discretion</b>	How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner
<b>Regulation</b>	Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2000 1 3. Apportionment of survivor benefit Reg 21.4
<b>WCC Policy</b>	The Council will apportion any surviving spouse's or civil partner's annual compensatory added years payment equally between spouses/civil partners.
25	
<b>Discretion</b>	<p>Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be dis-applied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid 21(7)</p> <p>In a case where a person ceased employment before 1st April 1998 with an award of annual compensation, died, and their surviving spouse or civil</p>

	<p>partner had not, as at 1 April 1998, entered into a subsequent marriage, civil partnership or period of cohabitation the Council will determine that paragraph (5), (6), (6A) or (6B) of Regulation 21 of The Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2000, as appropriate, shall not apply.</p> <p>i.e. their surviving spouse’s or civil partner’s compensation will continue during any subsequent remarriage or if they cohabit or enter into a new civil partnership. If, under the preceding decision, the authority’s policy is to apply the normal suspension rules, whether the spouse’s or civil partner’s annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation</p>
<b>Regulation</b>	Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2000 1 4. Effects of remarriage, new civil partnership or co-habitation on survivor’s compensation payments. Reg 21(7) and 21(5)
<b>WCC Policy</b>	In a case where a person ceased employment before 1st April 1998 with an award of annual compensation, died, and their surviving spouse or civil partner had not, as at 1 April 1998, entered into a subsequent marriage, civil partnership or period of cohabitation the Council will determine that paragraph (5), (6), (6A) or (6B) of Regulation 21 of The Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2000, as appropriate, shall not apply. i.e. their surviving spouse’s or civil partner’s compensation will continue during any subsequent remarriage or if they cohabit or enter into a new civil partnership. Reg 21(5) is therefore not applicable.

## 9. Employee Misconduct

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<b>Discretion</b>	<p>The Scheme rules allow an employer to recover financial loss from member’s pension benefit when:</p> <ul style="list-style-type: none"> <li>• employment has been terminated because of an offence involving fraud or grave misconduct; and</li> </ul>

	<ul style="list-style-type: none"> <li>the former employer has suffered direct financial loss as a consequence.</li> </ul>
<b>Regulation</b>	74 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
<b>WCC Policy</b>	The Council will seek maximum financial recompense wherever possible where an employee's contract has been terminated because of an offence involving fraud or grave misconduct.

## 10. Internal Disputes Resolution Procedure

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Any complaints relating to a decision made by Warwickshire County Council as an Employer within the LGPS should be initially raised under the pension scheme's [Internal Disputes Resolution Procedure](#)

## 12. Declaration

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It is understood that the above discretions are applicable to all eligible members of the Scheme. Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the Council agrees the change. Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the Council publishes a statement of its amended policy.

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## Staff and Pensions Committee

7 March 2022

### Review of Pension Fund Discretions for Warwickshire Pension Fund

#### Recommendations

1. That the Committee approves the recommended updates to the Warwickshire Pension Fund discretions policy.
2. That the Committee notes the changes to practice implemented within existing discretions, following legal developments and recommendations from the Local Government Association.

#### 1. Executive Summary

- 1.1 The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits for service after 31 March 2014, build-up on a defined benefit career average revalued earnings (CARE) basis, rather than on a defined benefit, final salary basis.
- 1.2 Scheme Administrators participating in the LGPS in England or Wales must formulate, publish, and keep under review a statement of policy on all mandatory discretions which they have the power to exercise in relation to members of the CARE Scheme and earlier schemes. It is also recommended by the Local Government Association that the same action is taken in respect of non-mandatory discretions.
- 1.3 This is the first review of the Warwickshire Pension Fund's discretions that were originally agreed and ratified in 2016.

#### 2. Financial Implications

- 2.1 The Pensions Ombudsman has discretion to award compensation for distress and inconvenience for maladministration even where no legal rights have been infringed, for instance in circumstances where a discretion has not been exercised properly. Such awards range between a nominal sum and £2,000 with exceptional cases exceeding that sum.

- 2.2 The Warwickshire Pension Fund seeks legal and/or actuarial advice on complex cases, which will usually incur a cost to the Fund.

### 3. Environmental Implications

None

### 4. Supporting Information

- 4.1 It is proposed that the Fund's policy on exercising discretion in relation to the following is amended as set out below:

- **Regulation 34 (1)**

To commute in all cases where the value of benefits is within HMRC limits. As part of the Club Vita data cleanse it has been identified that the fund has a higher-than-average proportion of trivial pensions in payment. These payments could be compounded into a one-off lump sum, therefore discharging the fund of any further liability or administration of the payment.

- **Regulation 16(10)**

The Pension Fund will not require the completion of a medical questionnaire on receipt of an application to purchase additional pension.

- **Transitional Regulations Schedule 2, para 2(2)**

To "switch off" the rule of 85 protections for affected members of a defunct employer on a case-by-case basis and allow those staff who wish to retire under the 85-year rule to take the actuarial reduction themselves, at no cost to the Pension Fund.

- 4.2 Further, the following changes to practice within the existing discretion shall be implemented in line with legal developments and recommendations from the Local Government Association:

- **Transitional regulations 17(5) to (8) & Reg 40 (2) & Reg 46 (2) & Reg 17 (12)**

A notification must be sent to a person who has made an unsuccessful claim against a death grant. This will tell them of the decision not to award them a share of the payment. That notification must include the grounds for that decision. This is covered by regulation 73(2) of the LGPS Regulations 2013.

- **Schedule 1 & Transitional regs 17 (9)(b)**

A partner’s benefit will be payable if the member has not completed a nomination form. The requirement for a completed nomination form to be held on record was removed following the following a Supreme Court judgement in 2017.

- 4.3 It is likely that further changes will be necessary in due course, following changes to legislation and statutory guidance in relation to:
- The use of Special Severance payments
  - The Public Sector Exit Payment Cap

## 5. Timescales associated with the decision and next steps

- 5.1 In view of the requirement to keep discretions policies under review, a review period will be set to every 3 years or earlier when changes to legislation or guidance takes place.

## Appendices

1. Warwickshire Pension Fund Discretions Policy

## Background Papers

1. None

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The report was circulated to the following members prior to publication:

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Other members:

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**WARWICKSHIRE**

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**pension fund**

**Discretions Policy 2022**

**Local Government Pension Scheme Regulations 2013**

Vicky Jenks, Pensions Administration Delivery Lead

## Warwickshire Pension Fund discretions policy Local Government Pension Scheme Regulations 2013

List of discretionary policies applicable to members with membership under the following regulations:

- The Local Government Pension Scheme Regulations 2013 (LGPS Regs)
- The Local Government Pensions Scheme (transitional provisions, savings and amendment) Regulations 2014 (Trans Regs)
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- The Local Government Pension Scheme Regulations 1997 (as amended)

<b>Regulation</b>	<b>Administering Authority Discretion</b>	<b>Warwickshire Pension Fund (WPF) Policy</b>
<b>LGPS Regs 16(1).</b>	Whether to turn down a request to pay Additional Pension Contributions / Shared Cost Additional Pension Contributions (APC / SCAPC) over a period of time where it would be impractical to allow such a request (e.g., where the sum being paid is very small and could be paid as a single payment).	<b>Policy:</b>  For payments of £50 or less, WPF will require payment by way of a single payment.  Flexibility will be offered where affordability may be an issue
<b>LGPS Regs 16(10).</b>	A) Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC.  B) Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	<b>Policy:</b>  A) WPF will not require a satisfactory medical where the APC / SCAPC is in respect of reinstating a period of unpaid leave.  B) WPF will not require the completion of a medical questionnaire by the member's GP where the APC / SCAPC is in respect of purchasing additional pension.
<b>LGPS Regs 17(12).</b>	Decide to whom any AVC / SCAVC monies (including life assurance monies) are to be paid on death of the member.	See <b>Trans Regs 17(5) to (8) &amp; Reg 40(2), Reg 43(2) &amp; Reg 46(2) &amp; Reg 17(12) above.</b> below
<b>Trans Regs</b>	Decide, in the absence of an	<b>Policy:</b>

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Pension Scheme Regulations 2013

<b>10(9).</b>	election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment).	The Team Leader for WPF's Membership team will determine which is the most beneficial for the member.
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<p><b>LGPS Regs 30(8) *</b></p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. (Policy required by the Administering Authority where the employer has become defunct)</p>	<p><b>Policy:</b></p> <p>Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>LGPS Regs 30(8) *</b></p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age. (Policy required by the Administering Authority where the employer has become defunct).</p>	<p><b>Policy:</b></p> <p>Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>LGPS Regs 68(2)</b></p>	<p>Whether to require any strain on the Fund costs to be paid “up front” by employing authority following payment of benefits under Reg 30(6) (flexible retirement) Reg 30(7) (redundancy / business efficiency) or waiver (in whole or in part) under Reg 30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement.</p>	<p><b>Policy:</b></p> <p>In accordance with the Fund’s existing Funding Strategy Statement, with the agreement of the Administering Authority the strain cost can be spread as follows:</p> <ul style="list-style-type: none"> <li>• Major employing bodies – up to 5 years.</li> <li>• Community Admission Bodies and Designating Employers – payable immediately.</li> <li>• Academies – payable immediately.</li> <li>• Transfer Admission Bodies – payable immediately.</li> </ul>

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<p><b>Trans Regs Sch2 para2(2) *</b></p>	<p>Whether as the 85-year rule does not automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on for such members. Where the employer does not do so if the member has already met the 85 year rule the members benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with benefits from any pre 1 April 2008 membership for member who will not be 60 or more on 31 March 2016, and benefits from any pre 1 April 2016 for members who will be 60 or more on 31 March 2016 which would not normally be subject to an actuarial reduction nonetheless being subject to a reduction calculated by reference to the period between the date the benefits are drawn and age 60).</p> <p>If the member has not already met the 85-year rule the members benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with the reduction on that part of the members benefits subject to the 85-year rule being calculated by reference to the period between the date the benefits are drawn and age 60 or the date of attaining the 85-year rule, whichever is the later).</p>	<p>Under the current regulations, a member who benefits from the protections afforded by the 85-year rule cannot retire early without the agreement of their employer. If the employer agrees to their retirement, because there is no reduction for early payment (or a partial reduction depending on the member's age) the employer incurs a cost for allowing retirement between age 55 and 60.</p> <p>LGPS2014 allows a member protected by the 85-year rule to retire early and suffer a reduction of benefits previously protected.</p> <p>This discretion allows the employer to turn-on the 85-year rule and effectively have in place the protections currently afforded to these members.</p> <p><b>Policy: Where Employer has become defunct</b> To "switch off" the rule of 85 protections for affected members on a case by case basis and allow those staff who wish to retire under the 85 year rule to take the actuarial reduction themselves (at no cost to WPF).</p>
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<p><b>Trans Regs Sch2 para2(3) *</b></p>	<p>Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the employer has “switched on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. (Policy required by the Administering Authority where the employer has become defunct).</p>	<p><b>Policy:</b> Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>Trans Regs Sch2 para 2(5)</b></p>	<p>Whether to require any strain on Fund costs to be paid “up front” by employing authority following waiver of actuarial reduction under Trans Regs Sch 2 para 2(3)</p>	<p><b>Policy:</b> In these circumstances, WPF does not require payment up front and is prepared for the cost to be subsumed as part of the subsequent triennial valuation. However, where the employer is releasing the benefits for reasons other than those described above (e.g., for financial reasons) WPF will require payment of the strain “up front”.</p>
<p><b>LGPS Regs 34(1).</b></p>	<p>Whether to commute small pension.</p>	<p><b>Policy:</b> To be commuted in all cases where the value of benefits is within HMRC limits.  Consideration by the Scheme administrator will be given where a member makes a formal request not to receive a commuted pension. Each request will be assessed on its own circumstances</p>
<p><b>Trans Regs 17(5) to (8) &amp; Reg 40(2), Reg 43(2) &amp; Reg 46(2) &amp; Reg 17(12) above.</b></p>	<p>Decide to whom death grant is paid.</p>	<p><b>Policy:</b> WPF makes payment to the nominee unless it is apparent that the nomination may no longer be valid (i.e., that the nominee may have separated or divorced since the nomination was made or</p>

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		<p>where other exceptional circumstances exist). If no nomination has been made or the nomination is no longer valid, payment is made as follows, (in this order of priority):</p> <p>to the spouse or partner upon production of evidence of marriage or partnership or,</p> <p>any person appearing to the authority to have been his (her) relative or dependant at any time or,</p> <p>to their personal representatives or,</p> <p>if there is no evidence of marriage or partnership or of any persons appearing to be a relative or a personal representative, payment will be made to the Estate.</p> <p>If the nominee is a minor, payment is made to a trust fund in respect of the nominee.</p> <p>In the event of a potential dispute, WPF will gather relevant information to present to the Strategic Director of Resources to make an informed decision regarding the distribution of the amount due.</p>
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<b>LGPS Regs 49(1)(c)</b>	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership.	<b>Policy:</b>  To determine which is the most beneficial for the member.
<b>LGPS Regs 65.</b>	Decide whether to obtain a new rates certificate if the Secretary of State amends the regulations as part of the “cost sharing” under Reg 63.	<b>Policy:</b>  WPF will discuss the implications of such an event with the Fund’s Actuary.
<b>LGPS Regs 69(1)</b>	Decide frequency of payments to be made over to the Fund by employers and whether to make an administrative charge.	<b>Policy:</b>  The employing authority shall pay to WPF all (employee and employer) contributions due in respect of their employees (or former employees) by the 19th of the month following the end of the month in which the amount was deducted from pay.
<b>LGPS Regs 71(1)</b>	Whether to charge interest on payments by employers which are overdue	<b>Policy:</b>  WPF reserves the right to charge employers interest on delayed payments under Reg 69(1).
<b>LGPS Regs 82(2)</b>	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than the amount specified in S6 of the Administration of Estates (Small Payments) Act 1965	<b>Policy:</b>  Where the death grant due is less than the amount specified in S6 of the Administration of Estates (Small Payments) Act 1965, currently £5,000, payment will be made following completion of a Form of Indemnity. However, any apparent dispute as to who should receive payment and WPF will refer to the policy under the payment of death grants above.



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<b>LGPS Regs 83</b>	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	<p><b>Policy:</b></p> <p>WPF will request Power of Attorney or in the absence of this satisfactory evidence that the person is managing the member's affairs (e.g., to whom DWP payments are being made).</p>
<b>LGPS Regs 100(6).</b>	Extend normal time limit for acceptance of a transfer value beyond twelve months from joining the LGPS.	<p><b>Policy:</b></p> <p>To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or WPF</p> <p>This is now a joint policy to prevent scheme employers from accepting late applications without good reason.</p>
<b>LGPS Regs 100(7)</b>	Where a request for a transfer of pension rights is made by a member, the administering authority may accept the transfer and credit it to the Pension Fund and update the scheme member's account accordingly.	<p><b>Policy:</b></p> <p>To allow the transfer.</p>
<b>LGPS Regs Sch 1 &amp; Trans Regs 17(9)</b>	Decide whether to treat a child as being in continuous education or vocational training despite a break.	<p><b>Policy:</b></p> <p>That WPF allow a break of up to eighteen months to allow the child of a deceased member to take "a year out" between further and higher education and for payment to be suspended during this period of suspension.</p>

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<p><b>LGPS Regs Sch 1 &amp; Trans Regs 17(9)(b)</b></p>	<p>Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.</p>	<p><b>Policy:</b></p> <p>To take reasonable steps to determine that a beneficiary is valid. The beneficiary will produce on request relevant and valid documents to determine interdependency. For example, proof of joint mortgage or lease for a period in excess of two years, joint bank accounts, Council tax statements.</p>
<p><b>rans Regs 3(13) &amp; Admin Reg 70(1) (2008 regs) &amp; Admin Reg 71(4)(c)</b></p>	<p>Decide policy on abatement of pre 1 April 2014 element of pensions in payment following re-employment.</p>	<p><b>Policy:</b></p> <p>To not apply the abatement rule, save in exceptional circumstances where it determines that not to abate the pension in payment could lead to a serious lack of confidence in the public service.</p>
<p><b>Trans Regs 15(1)(c) &amp; Trans Regs Sch 1 &amp; 83 (1997 regs)</b></p>	<p>Extend time period for capitalisation of added years contract.</p>	<p><b>Policy:</b></p> <p>Time will be extended in exceptional circumstances</p>

**\*These are where regulations require there must be a written policy.**

## Staff and Pensions Committee

14 December 2015

### Local Government Pension Scheme Discretions

#### Recommendations

- (1) That the Committee note the content of the report and approve the proposed Local Government Pension Scheme discretions.
- (2) That the Committee commission WCC officers to undertake the further work described in paragraph 3.2

#### 1.0 Key Issues

- 1.1 The Local Government Pension Scheme Regulations 2013 came into effect in 2014. Within the regulations is a requirement for employing authorities to determine and publish the approach it will take in certain key areas of pension policy.
- 1.2 This report details the policy areas where the employer has discretion and proposes a way forward for Members to consider.
- 1.3 Where the proposals do not involve a change to the council's current practice, this is indicated.

#### 2.0 Proposals

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
9.	Determine rate of employees' contributions	For existing members the contribution band is determined on pay in April each year. The banding will not normally be reassessed unless in exceptional circumstances the members pay is substantially reduced.	No change

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
		For new employees / scheme members the band is assessed on the salary and additional payments on the date of commencement. This includes existing employees / scheme members who move to new employment during the year.	
16.	<p>Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contribution (APC) scheme.</p> <p>a) A scheme member can choose to buy extra annual pension up to a maximum of £6,500 using an APC. The employee can choose to make regular contributions or a one off payment. An employer can choose to fund the APC in whole or in part.</p> <p>b) To buy 'lost' pension for authorised leave of absence (including any period of unpaid additional maternity, paternity or adoption leave). Where an employee elects to pay an APC to purchase any or all of the amount of pension 'lost' during the period of absence and makes the election within 30 days of returning to work the employer shall pay 2/3rds of the cost of the APC (a shared cost APC).</p>	The County's existing policy is on granting additional membership under the 2008 scheme is that no additional pension will be awarded to active members.	No change to granting additional membership and it is further proposed that the County Council shall not fund the APC in whole or in part.
17.	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements entered into on or after 1 April 2014.	No shared cost AVC to be established	No change
20.	Specify in an employee's contract what other payments or benefits, other than specified in Reg20(1)(a) and not otherwise precluded by Reg20(2), are to be pensionable.	All pay specified in the employee's contract of employment is pensionable.	No change
22(7)(b).	Whether to extend the 12 month option period for a member to elect	To allow in exceptional circumstances where it is	No change

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
	that deferred benefits should not be aggregated with an ongoing concurrent employment.	clear there has been an administrative delay by the employer or the scheme administrator.	
<b>22(8)(b).</b>	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.	To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or the scheme administrator.	No change
<b>30(6) and Transitional Regs 11(2)</b>	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	That Strategic Directors are granted discretionary power to grant flexible retirement and thus immediate release of all or part of pension benefits.	No change
<b>30(8)</b>	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.	The County Council currently allows for consideration to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.	No change
<b>Trans Regs Sch2 para2(2)</b>	Whether in respect of benefits from pre 1 April 2014 membership, to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (subject to a minimum actuarial reduction to the date the member meets the 85 year rule or to age 60, whichever is the later).	Under the current regulations, a member who benefits under the protections afforded under the rule of 85 cannot retire without the agreement of their employer. If the employer agrees to their retirement and the employee is aged between age 55 and 60, the council incurs the cost.	<p>LGPS2014 allows a member protected by the rule of 85 to retire early without their employer’s agreement as long as the employee suffers the actuarial cost themselves.</p> <p>It is therefore proposed that the Council has a policy of “switching off” the rule of 85 protections for affected members on a case by case basis.</p> <p>This would allow those staff who wish to retire under the 85 year rule and take the actuarial reduction themselves (at no cost to the council), to do so.</p>

Regulation Reference	Employing Authority Discretion	WCC Current Policy or Practice	WCC Proposed Policy
<b>Trans Regs Sch2 para2(3)</b>	Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the employer has “switched on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner.	No change
<b>31</b>	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 per annum)	That augmentation of pensionable service should only be applied in exceptional cases where this is necessary to address a situation where there would otherwise be a significant risk of harm to the County Council’s services or objectives.	No change
<b>100(6)</b>	Extend normal time limit for acceptance of a transfer value beyond twelve months from joining the LGPS.	To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or the scheme administrator  (This is now a joint policy with the Administering Authority to prevent scheme employers from accepting late applications without good reason.)	No change

### 3.0 Next steps

- 3.1 Any decisions made by Members in relation to the delegations will be communicated to the LGPS scheme members through the Council’s website.
- 3.2 If Members approve the proposals in this paper, the Council should revisit its flexible retirement policy to ensure it remains fit for purpose.

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## Staff and Pensions Committee

7 March 2022

### Draft Fraud and Corruption Policy for the Warwickshire Pension Fund

#### Recommendation

That the Staff and Pensions Committee notes and comments on the Draft Fraud and Corruption Policy for the Warwickshire Pension Fund at Appendix 1.

#### 1. Executive Summary

- 1.1 This report attaches a draft Fraud and Corruption Policy for the Warwickshire Pension Fund. The purpose of the policy is to set out how the Fund will deal with potential fraud and how it intends to ensure that the correct processes are in place. The Policy is tailored to the Warwickshire Pension Fund where appropriate but is designed to operate alongside Warwickshire County Council's Counter Fraud, Bribery and Corruption Framework which also applies.
- 1.2 Members of the Staff and Pensions Committee are invited to comment on the draft policy in Appendix 1.

#### 2. Financial Implications

None.

#### 3. Environmental Implications

None.

#### 4. Supporting Information

- 4.1 The draft policy covers the following areas:

Policy objectives	<ul style="list-style-type: none"> <li>• Robust governance.</li> <li>• Management of the Fund.</li> <li>• Monitor and manage risk.</li> <li>• Administer the Fund in a professional manner.</li> </ul>
Purpose of the Policy	<ul style="list-style-type: none"> <li>• Prevent ongoing losses.</li> <li>• Minimise occurrence of fraud</li> </ul>

	<ul style="list-style-type: none"> <li>and corruption.</li> <li>• Minimise destruction of evidence.</li> <li>• Explain future sanctions</li> <li>• Act as a deterrent.</li> </ul>
Scope	<ul style="list-style-type: none"> <li>• Who the policy applies to</li> </ul>
Culture	<ul style="list-style-type: none"> <li>• The promotion of zero tolerance approach to fraud and corruption</li> <li>• Promote responsibility for the prevention and detection of fraud and corruption</li> <li>• Promote a culture to report concerns about fraud and corruption.</li> <li>• That concerns are investigated and where proven perpetrators are dealt with firmly.</li> <li>• If fraud or corruption are identified systems are and procedures are reviewed.</li> </ul>
Deterrence	<ul style="list-style-type: none"> <li>• Identifies the deterrence's in place.</li> </ul>

## 5. Timescales associated with the decision and next steps

- 5.1 Following comments from members of the Committee, the draft Policy will be taken to Local Pension Board in April and then return to Staff and Pensions in Committee in June 2022 for adoption.

## Appendices

1. Draft Fraud Strategy for the Warwickshire Pension fund

## Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s):

Other members:

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Warwickshire Pension Fund

Anti-Fraud and Corruption Policy

Draft

[front cover to include WPF logo]

[effective date]

## 1. Introduction

- 1.1** This is the Anti-Fraud and Corruption Policy of Warwickshire Pension Fund managed by Warwickshire County Council (the administering authority).
- 1.2** This policy demonstrates that Warwickshire Pension Fund will take necessary steps to prevent fraud and corruption. Every effort will be made to detect fraud and to pursue those responsible to recover losses, referring matters (where appropriate) to the Police.
- 1.3** Fraud and corruption are defined as:
- Fraud – The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain
  - Bribery and corruption – A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity.

## 2. Policy Objectives

- 2.1** The Fund's objectives related to the subject matter of this policy are:
- To 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.
  - To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly scheme members and employers.
  - To continually monitor and manage risk, ensuring the relevant stakeholders can mitigate risk where appropriate
  - To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

## 3. Purpose of the Policy

- 3.1** The purpose of the policy is:
- To act as deterrent for potentially fraudulent activity.
  - To minimise the occurrence of fraud by taking rapid action at the earliest opportunity.
  - To prevent ongoing losses of funds where fraud has occurred and maximise the potential for recovery.
  - To minimise the chance of destruction of evidence.
  - To maximise the chances of success in future sanction actions, including criminal prosecution.
  - To minimise adverse publicity.

#### 4. Scope

4.1 This policy applies to:

- Members of the Staff and Pensions Committee
- Members of the Pension Fund Investment Sub-Committee
- Members of the Local Government Local Pension Board
- Scheme Employers of the pension fund
- Professional organisations that provide services to the Fund (e.g. custodian, fund managers)
- Professional advisors
- Officers of the Fund and Administering Authority.

#### 5. Culture

- 5.1 The administering authority promotes a zero-tolerance approach towards fraud, corruption and other malpractice for personal gain. Dishonesty, lack of integrity, avoidance of controls and failure to comply with agreed policies are not tolerated.
- 5.2 The prevention and detection of fraud/corruption and the protection of public funds are everyone's responsibility and of paramount importance to the authority.
- 5.3 Concerns must be raised when members or employees reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:
- A criminal offence
  - A failure to comply with a statutory or legal obligation
  - Improper unauthorised use of public or other funds
  - A miscarriage of justice
  - Maladministration, misconduct, or malpractice
  - Deliberate concealment of any of the above.
- 5.4 The Council will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously, and investigated in an appropriate manner subject to the requirements of the Human Rights Act 1998 and other statutory provisions.
- 5.5 The administering authority will take appropriate action with those who defraud the Council, or who conduct corrupt activities, or where there has been financial malpractice.
- 5.6 The Council is alive to the need to ensure that any investigation process is not misused and therefore, any abuse of process (such as raising malicious allegations) will be addressed as appropriate.
- 5.7 When fraud or corruption have occurred because of a breakdown in systems or procedures, the administering authority will ensure the appropriate improvements are implemented to prevent reoccurrence.

#### 6. Responsible Officers

- 6.1 The Head of Internal Audit – has a duty to monitor instances of financial irregularities within the Council as a whole and to report certain details to external

bodies such as External Audit. The Head of Internal Audit also has a duty to ensure that appropriate investigations are carried out.

- 6.2 The Section 151 Officer – under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, the Section 151 Officer has a statutory duty to ensure that there are proper arrangements in place to administer the Council's financial affairs (as the administering authority).
- 6.3 Assistant Director (Finance) (Deputy Section 151 Officer) – The Chartered Institute of Public Finance and Accountancy (CIPFA) statement of the role of the Chief Finance Officer/Director of Finance (CFO) lists one of the CFO's core responsibilities as 'implementing appropriate measures to prevent and detect fraud and corruption'.

## **7. Deterrence, Risk Management, and Loss Mitigation**

- 7.1 The publication of the Anti-Fraud and Corruption Policy and regular reinforcement that the administering authority operates a zero tolerance approach will help deter those considering fraudulent activity
- 7.2 Where any loss is incurred to fraud and corruption the administering authority will take action to recover monies owed.
- 7.3 Managers are expected to conduct risk reviews of the systems and procedures for which they are responsible and proactively update where weakness has been identified.
- 7.4 Pension Fund Committees and Local Pension Board members receive regular reports on Internal Audit activity and these will include summary details of investigations into allegations of fraud and financial impropriety.
- 7.5 Following any investigation, sanctions will be applied where fraud and corruption are found to be present. This will be done in a comprehensive, consistent and proportionate manner whereby all possible and relevant sanctions – disciplinary, civil and/or criminal - are considered. For elected members this will include consideration of the sanctions available for breaches of the Member's Code of Conduct alongside any relevant criminal or civil action.

## **8. Reporting**

- 8.1 Employees may report issues to any line manager or to internal audit, or use the whistleblowing procedure.
- 8.2 Members may report issues to the Assistant Director (Finance) or to internal audit.
- 8.3 Members of the public may report issues using the complaints procedure.
- 8.4 Any reported or suspected issue must be brought to the attention of internal audit if it is not directly reported to internal audit in the first instance.

## **9. Detection and prevention of fraud corruption by the Warwickshire Pension Fund.**

- 9.1 The table below demonstrates the activity undertaken by Warwickshire Pension Fund to mitigate the likelihood of fraud and corruption occurring:

<b>Activity</b>	<b>Detail of activity</b>	<b>Responsibility</b>
Biennial participation in the National Fraud Initiative	The National Fraud Initiative (NFI) exercise matches electronic data within and between public and private sector bodies to prevent and detect fraud.	Pensions Admin Lead
Tell Us Once	A Government service helps to notify most government departments and local councils know when someone dies.	Pensions Admin Lead
Mortality Screening	The ability to screen pension records for deaths	Pension Admin Lead
Annual Proof of existence for overseas members	Issue life certificates to pensioners living overseas	Pension Admin Lead
Address tracing for UK residents	The ability to screen current addresses for scheme members	Pension Admin Lead
Returned payslips	If a pensioner advice slip is returned investigate possible death of the pensioner	Pension Admin Lead
Returned BACs payments	If a BACs payment is returned for a pensioner investigate possible death	Pension Admin Lead
Falsification/non-submission of documents (Member)	Members may provide incorrect information.	Pension Admin Lead
Reconciliation of employer and employee contributions	Ensure correct contributions are received	Pension Admin Lead / Senior Fund Accountant
Falsification/non-submission of documents (Employer)	Employers may provide incorrect information	Pension Admin Lead
Pension Fund employee maladministration	Employee may provide incorrect information for financial gain	Pension Admin Lead
Destruction of evidence	Data is destroyed for a scheme member or scheme employer	Pension Admin Lead
Payroll reconciliation	Fraudulent addition of new pensioner for payment.	Pension Admin Lead
Payroll reconciliation	Fraudulent non-action when a pensioner dies	Pension Admin Lead
Payroll reconciliation	Bank details amended to redirect payments	Pension Admin Lead
Investment transactions	Payments to and from the Fund – drawdowns	Lead Commissioner Pensions and Investments
Safeguarding assets	Safe keeping of fund assets	Lead Commissioner Pensions and Investments
Buy and Sell lists	Alerts on potential frauds	Lead Commissioner Pensions and Investments
Internal Audit Reviews	Internal Audit plays a vital role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. They liaise with management to recommend changes in procedures and controls.	Internal Audit will conduct periodic planned reviews based upon assessment of risk and will conduct targeted reviews or investigations in response to events.
External Audit Reviews	External audit is an essential safeguard in the stewardship of public money.	External Audit may in the course of undertaking the audit of accounts or other commissioned work

Activity	Detail of activity	Responsibility
		identify fraud and report on related issues or risks.
Conflicts of Interest	Members of the pension fund committees and of the local pension board must ensure that they avoid situations where there is a potential for a conflict of interest. Declarations ensure potential conflicts are identified and dealt with appropriately.	Members of the pension fund committees and of the local pension board must declare potential conflicts at the start of each meeting. Members of the LPB sign a declaration of pecuniary interest annually. Democratic Services are responsible for ensuring all declarations are held on the Council's register.

**9.2** The Public Interest Disclosure Act 1998 (the Act) places a legal responsibility on employers to ensure that matters of serious public concern can be addressed. In order to meet the requirements of the act, the Council has a whistleblowing policy.

**9.3** A 'qualifying disclosure' of information is any disclosure of information that is made in the reasonable belief that it is both in the public interest and that one or more of the following is either happening at the present time, took place in the past or is likely to happen in the future

- A criminal offence
- A miscarriage of justice
- An danger to health and safety
- Damage to the environment
- A breach of any other legal obligation
- Concealment of any of the above

**9.4** In making the disclosure, an individual must have a reasonable belief that the information disclosed shows one or more of the offences or breaches listed above. The belief need not be correct, but the individual must show that they held the belief and that it was a reasonable belief, in the circumstances, at the time of the disclosure.

**9.5** Many fraudulent activities are discovered by chance or 'tip off' and the administering authority promotes the Whistleblowing policy to encourage and enable these to be reported.

**9.6** Members of the public are encouraged to report any concerns which they may have through by using the Fund complaints procedure.

## **9.0 Investigation**

**9.1** Suspected irregularities and any fraud related matters reported to the Fund will be investigated within Pension Services in the first instance, unless there is a reason for the investigation to be independent or external, with a target to resolve within three



months of identification/report. All allegations and suspicions of fraud suspected cases are required to be reported to Internal Audit.

This is essential:

- To ensure the consistent treatment of information regarding fraud and corruption
- To facilitate a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the CPIA and PACE codes of practice.

**9.2** Internal audit would carry out investigations where independence was required and/or where a matter is of a more serious nature, and follow up appropriately. The Council's Counter Fraud Bribery and Corruption Framework can be found in the link below:

[WCC Counter Fraud Bribery and Corruption Framework](#)

## **10.0 Sanctions**

- 10.1** The administering authority will take actions as appropriate which could include but are not limited to disciplinary action and/or prosecution.
- 10.2** Any decision to refer a matter to the police will be taken by the Head of Pensions and Audit Manager in consultation with the Council's Section 151 Officer and the Chairman of the Pension Fund Committee.
- 10.3** Where action has been taken the matter will only be reported publicly to the extent that it is possible having regard to issues such as commercial and personal confidentiality.

## **11.0 Relationship to the Warwickshire County Council Counter Fraud, Bribery and Corruption Framework**

- 11.1** This document provides policy guidance that is specific to the operation of the Warwickshire Pension Fund but it is designed to operate alongside the Warwickshire County Council Counter Fraud, Bribery and Corruption Framework which also applies to the Warwickshire Pension Fund. Should a circumstance arise where the policies are not in alignment the Section 151 Officer shall determine which policy to follow and arrange for the policies to be updated accordingly.

## **12.0 Related Documents**

- 12.1** Warwickshire County Council Counter Fraud, Bribery and Corruption Framework  
<https://api.warwickshire.gov.uk/documents/WCCC-752-169>
- 12.2** Further details of the National Fraud Initiative  
[National Fraud Initiative - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/national-fraud-initiative)
- 12.3** Fighting Fraud and Corruption Locally  
<https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

**12.4** CPIA Code of Practice

[Criminal Procedure and Investigations Act Code of Practice - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

**12.5** Fraud Act 2006

[Fraud Act 2006 \(legislation.gov.uk\)](http://legislation.gov.uk)

**13.0** Review

**13.1** Officers will review the policy bi-annually.

**14.0** Contacts

**14.1** If you require further details about this policy please contact:

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## Staff and Pensions Committee

7 March 2022

### Draft Business Continuity Plan for the Warwickshire Pension Fund

#### Recommendation

That the Staff and Pensions Committee notes and comments on the content of the report and the attached draft Business Continuity Plan.

#### 1. Executive Summary

- 1.1 This report sets out Warwickshire Pension Fund's plan for dealing with a critical event that may affect the fund's business as usual activities.
- 1.2 Members of the Staff and Pensions Committee are invited to comment on the draft plan in Appendix 1 (note that names and contact numbers have been omitted as this is a public report).

#### 2. Financial Implications

- 2.1 There could be significant financial implications for the Fund and its members in the event of a failure to provide the service. For example missing deadlines to make investments may result in the loss of returns, or the loss of a system that needs to be recovered rapidly may come at a significant cost to recover quickly.

#### 3. Environmental Implications

None.

#### 4. Supporting Information

- 4.1 The plan includes:

The purpose of the plan	<ul style="list-style-type: none"> <li>• Robust governance</li> <li>• To coordinate the recovery of critical business functions</li> <li>• Ultimately to ensure Fund</li> </ul>
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	beneficiaries receive payment of their benefits
What is an incident	<ul style="list-style-type: none"> <li>• Defines natural and manmade disruptions that could impact on service provision</li> </ul>
Activating the plan	<ul style="list-style-type: none"> <li>• The administration and investment teams will produce a schedule of critical processes</li> <li>• Crucially, the conception of a Crisis Management Team</li> </ul>

- 4.2 Examples of the circumstances when the plan may be invoked are in Appendix 2.
- 4.3 The Business Continuity Plan will operate alongside the administering authority's Critical Services Business Continuity Plans.
- 4.4 Critical process plans are being drafted by the Pension Administration Service and the Investment Team and these will be available for the final draft of the Business Continuity Plan.

## 5. Timescales associated with the decision and next steps

- 5.1 The draft Business Continuity Plan will be presented to the Local Pension Board at its meeting in April before returning to the Staff and Pensions Committee for approval at its June 2022 meeting.

## Appendices

1. Appendix 1 The draft Business Continuity Plan
2. Appendix 2 Example scenarios

## Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

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**WARWICKSHIRE PENSION FUND (WPF)**

**Business Continuity Plan (BCP) (Draft January 2022)**

## **Introduction**

This is the Business Continuity Plan (BCP) for the Warwickshire Pension Fund (WPF) Fund Investment and Administration teams.

In the event of an incident which interferes with the WPFs ability to conduct business from its offices, this plan will be implemented and followed by the teams.

The objective of the plan is to ensure that the WPF is to coordinate recovery of critical business functions in managing and supporting the business recovery in the event of a disruption or disaster.

The business continuity plan is to be read in conjunction with the Pension Fund's Cyber Policy and Fraud Strategy.

The business continuity plan will be used in conjunction with the County Council's and Finance Service's business continuity plans.

## **What is the purpose of the plan?**

The purpose of the plan and its complimentary policies is to ensure that the Fund has a documented and functional set of procedures which incorporate the business and ICT services to enable the reinstatement of the services as quickly as possible.

The objective of the plan is to coordinate the recovery of critical business functions in managing and supporting business recovery in the event of disruption to that service.

The ultimate purpose is to ensure that Fund beneficiaries receive the payment of their benefits.

## **What is an 'incident'**

An incident is any urgent situation that is deemed to be serious enough to cause significant harm to critical systems or services which cannot be managed sufficiently or quickly enough through normal management approaches. This can include: fire, floods, earthquakes, terrorism, explosions, pandemics, shock disruptions to ICT systems, and other natural or manmade disasters. An incident can also be the disruption of an external service eg banking provision.

## **Why do we need a BCP?**

In the event of an incident the WPF needs to ensure it can restore Business As Usual (BAU) for both the investment and administration teams as quickly as possible.

With a greater reliance on the internet enabling employers and partners to provide information electronically / online, it is critical that services are up and running as quickly as possible.

It is crucial that the BCP and the County Council's disaster recovery plans are tested regularly.

## **Activating the BCP**

Both Pension Fund Teams teams should produce a schedule of critical processes and RAG rate the processes in terms of how critical they are and how quickly they would need to be fixed or replaced by alternative arrangements should they fail.

The plan can be invoked depending on the type of incident and may be invoked in part or in full.



### The Crisis Management Team.

The Pension Fund will have a Crisis Management Team comprised of the following officers:

#### Permanent members

Name	Post	Contact details	Crisis Mgt Role
	Finance Manager Transformation		Joint Coordinator
	Service Manager Transformation		Joint Coordinator
	Lead Commissioner Pensions and Investments		Investment coordinator
	Pension Admin Delivery Lead		Pension administration coordinator
	Senior Accountant Pensions Investment		Finance support
	Pensions Team Leader Communications		Communications
	Technical Specialist Governance		Plan coordinator / governance

#### Ad-hoc members

Name	Post	Contact details	Crisis Mgt Role
	Exchequer and BAIC Delivery Lead		Banking support
	Team Lead – Payroll		Pension payroll support
	Risk and Compliance Officer		ICT support
	Senior Solicitor		Legal support / Governance
	Senior Account Manager		Communications
	HR		HR Support

### Crisis Management Team

The role of the Crisis Management Team (CMT) is to consider likely incidents and whether the relevant plan should be implemented in part or full.

The CMT should be satisfied that this plan is reviewed and remains fit for purpose

Each permanent member of the CMT should draft a plan for their specialised area concerning what to do if the plan is invoked. Each plan will be considered and reviewed by CMT. Members should have plans for the restoration of processes and the move to business as usual.

The plan coordinator will be responsible for monitoring the plan, coordinating the roles of the Ad-hoc members ensuring they have robust plans in place if called upon and, be responsible for training staff.

It will not be possible or efficient to make plans for every eventuality, rather the most important feature is that there are processes in place to invoke a crisis response and that the key personnel understand their roles, know who each other are, and know how to communicate in order to initiate a response. Examples of specific crises that would merit some thinking on response options could include:

- Wholesale failure of the pension fund's banking provider.
- An incident that completely denies access to the Warwick offices for a sustained period of time.
- A significant proportion of pension fund staff being suddenly unable to work at the same time caused by Covid or other illness.
- A wholesale failure of the pension fund payroll system.
- A serious cyber-attack denying access to critical systems.

Any specific plans will by their nature need to be simple and very high level as the details of any particular event could vary significantly and cannot all be predicted or prepared for specifically in advance.

### **Invoking the BCP**

Each possible incident should be reviewed by either the Lead Commissioner Pensions and Investments and the Pension Admin Delivery Lead and decide whether the incident should be referred to the CMT.

The CMT will in turn decide if the BCP should be invoked and referral made to the Assistant Director (Finance / Deputy S151 officer) to confirm that the BCP should be enacted. In the absence of the Assistant Director the Joint Coordinators will make the decision.

### **Initial communications**

The CMT should ensure that there is a line of communication available to contact members of the CMT and for team members in Investments and Administration. All methods of communication should be considered e.g. the Investment Team has a Whatsapp group available that is separate to and therefore not reliant upon the corporate IT infrastructure and this provides an additional layer of communication resilience.

### **Testing**

The plan coordinator should be responsible for the testing of the plan.

### **Training**

The plan coordinator will be responsible for organising training for Committee and Board members, the CMT and staff.

### **Review**

CMT members will review their plans annually and the plan coordinator will ensure these reviews take place and reported to CMT.



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**Examples of a possible interruption to Business As Usual and how the Business Continuity Plan should be rolled out.**

**Example One**

**Scenario**

The Warwickshire Pension Fund is informed of a potential fraud whereby an outside body is informing scheme employers of a change to the pension funds bank account for the payment of contributions.

Although, this is an issue for scheme employers to ensure they follow their own procedures regarding an amendment to suppliers / partners bank accounts such an action will potentially impact on receipts to the pension fund.

**Classed as LOW impact**

**Procedure**

Convene Crisis Management Team and invite Exchequer Services Manager for advice. Discuss scenario and formulate approach and decide whether to notify Assistant Director of Finance.

**Outcome**

Issue an urgent communication to all scheme employers confirming that the pension fund has not changed its bank account.

Notify the fund's bank of this potential fraud.

**Follow up**

Contact any employers where contributions are missing.

Contact employers asking them to contact the Fund in the first instance if they receive any similar requests in the future.

**Example Two**

**Scenario**

The Fund is alerted by the County Council's ICT department of a potential cyber-attack. The attack has been thwarted but ICT advise that care is taken by all pensions staff regarding the receipt of emails with attachments.

**Classed as MEDIUM impact**

**Procedure**

Convene Crisis Management Team and invite ICT's Tim Molloy for advice. Discuss scenario and formulate approach and decide whether to notify Assistant Director of Finance.

### **Outcome**

Contact all pension fund employees and alert them of the cyber-attack and not to open suspicious attachments from unknown sources.

Anything suspicious to be reported to the ICT Service Desk and to colleagues.

### **Example Three**

#### **Scenario**

The Fund is notified of a successful cyber-attack on WCCs ICT infrastructure and there is no access to pension ICT administration systems. Downtime is expected to last for several days that will include month end payments for pensioners

#### **Classed as CRITICAL impact**

#### **Procedure**

Convene all members of the Crisis Management Team. This meeting will have to be in person or by way of a Whatsapp video call on personal mobiles.

Notify the Assistant Director for Finance and members of pensions committees and the Local Pension Board of the attack and the actions being taken.

#### **Outcome**

Notify all staff via the Group's whatsapp group that all systems are down and advise of any protocols to be followed, for example anything that needs to be done or not done to avoid causing further harm.

Notify the Fund's bank of what has happened.

Notify the bank that the previous month's BACs payment will be paid on 'pay day' to ensure that pensioners receive payment.

Issue a communication on local news re payments.

Alert WCC Marketing and Communications Team to advise concerned pensioners who contact WCC that the previous months payment will be duplicated.

Have in place a process to action urgent payments for new pensioners / dependants who have not yet received a pension payment.

Contact BCPP re any transaction payments will not proceed.

#### **Follow up**

Adjust any payments (under or over) because of the duplicate pension payment.

Contact pensioners regarding over or underpayments.

Process any pending retirements or death cases as urgent.

Process any outstanding transaction payments with BCPP and other partners.

Consideration to be given for a website that is not on the Council's portal. This would make communications possible even if WCC was down.

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## **Staff and Pensions Committee**

**7 March 2022**

### **Pensions Administration Activity and Performance Update**

#### **Recommendation**

That the Committee note and comment on this report.

#### **1. Executive Summary**

- 1.1 This report updates the Board on the key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS).

#### **2. Financial Implications**

- 2.1 All financial implications are dealt with in the body of this report.

#### **3. Environmental Implications**

- 3.1 None

#### **4. Member Self Service (MSS)**

- 4.1 The implementation of MSS has begun. The PAS are working with software suppliers and internal ICT teams to deliver this project.
- 4.2 Testing of the system has started. We will look to provide easy to follow instructions for logging on and sign-posting to our website so that members can look there first to answer general questions regarding the pension scheme. We do anticipate receiving more enquiries during the launch period; however, we will look to complete the roll out in phases so that we can manage the additional queries we expect from members.

#### **5. Key Performance Indicators (KPIs)**

- 5.1 Appendix 1 shows the KPIs for the period 01<sup>st</sup> April 21 to 31<sup>st</sup> January 2022.

5.2 KPIs where a payment is to be made are treated as highest priority.

5.3 For KPIs that are not being achieved:

KPI 1 - providing transfer information: This has stayed relatively consistent over the last few months. We would expect this to improve following the Fire Administration being outsourced and more resource being allocated to transfers. There is also a clear increase in the number of Transfers investigated – last year we investigated 724 transfers, whereas so far this year we have investigated 656 and this would equate to 787 over a year.

KPI 2 - relating to transfers out: This has improved significantly since last month. We would expect this to continue to improve following the Fire Administration being outsourced and more resource being allocated to transfers.

KPI 3 - Payment of refunds - In January, 18 of the 19 payments were made within 12 days. This has been lower than expected due to absence and leave over the Christmas period.

KPI 4 – Letter notifying estimate of benefits: – there were 39 cases and this KPI was missed in 7 cases due to team holiday and prioritising payments.

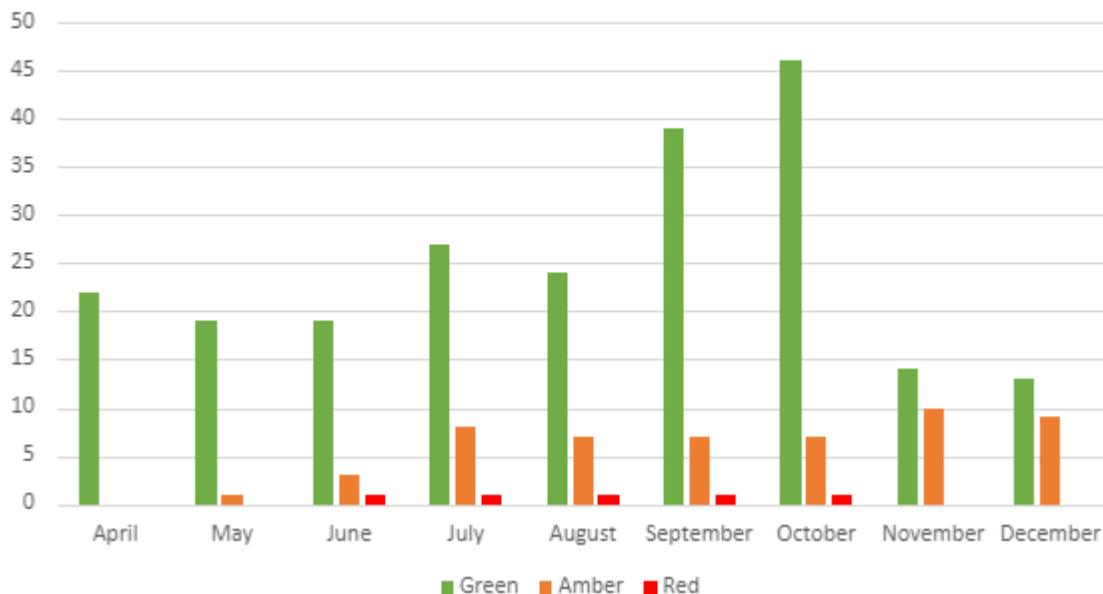
## **6. Workloads**

6.1 The PAS has been monitoring the tasks outstanding and completed by the service since the 1 April 2020. The chart at appendix 2 shows the volume of outstanding work across the service and indicates that the service had 2365 live tasks as at 31 January 2022. The overall volume of work is being managed effectively in spite of increases in demand in some areas.

## **7. Breaches**

7.1 In accordance with the Breaches Policy, any Amber breach results in direct contact with the employer to resolve the issue, and further escalation if required.

WPF Employer Breaches 21/22



7.3 The levelling in green breaches is down to improved engagement with a number of multiple payroll providers. Previous months have seen a higher number of breaches where one or two multiple payroll providers have missed the i-Connect deadline but this has not been the case from November to date.

A notification has been sent to the employers and payroll provider to ensure payments are received by 19<sup>th</sup> of each month going forward.

7.4 As part of the monthly breaches review, we have also identified that a reminder to employers that is automatically sent out via the I-Connect system is sent out at the beginning of each month. The team will now issue a reminder to complete their submission to all employers on the 10<sup>th</sup> of each month.

## 8. McCloud Project

8.1 The McCloud project is continuing. The data collection exercise has been completed for the Local Government Scheme, in part with the majority of employers either providing information regarding changes for their employees or signing a disclaimer to confirm they agree that the data held on the pension's administration record is correct.

8.2 The PAS will now look to move on to the next phase of work which is benefit rectification and the updating of our work processes to include the check for the underpin protection for members in scope.

- 8.3 The government response to the consultation is now expected in Spring 2022, with draft legislation for the changes required expected to be released in April 2022 for consultation. These are intended to be implemented by April 2023 but will be retrospective.
- 8.4 Other legislation that is required to remedy discrimination is contained within the Public Service Pensions and Judicial Offices Bill, which will have retrospective effect from 1 April 2015. The Finance Bill 2021-22 and supporting regulations will also contain technical changes to ensure that the pensions taxation framework can operate as intended following the McCloud reforms. The bill includes some amendments which will lead to additional work having to be undertaken as part of the project for the Local Government Pension Scheme:
- changes to the qualification criteria, bringing more members into scope for the McCloud remedy
  - a requirement for multiple periods of service to be aggregated to qualify for McCloud
  - provisions for teachers to be offered membership of the LGPS in respect of “excess teacher service”
- 8.5 The Fund’s actuary, Hymans, has completed an analysis of all fund employers to assess the individual impact and letters have been sent out to confirm this.
- 8.6 For the Firefighter Pension Schemes remedy work, the processing of immediate detriment cases has been made more difficult as a result of the Home Office withdrawing their guidance on this. A separate report is provided which provides further information and the decision the Council has taken regarding the processing of these cases.

## **9. Internal Dispute Resolution Procedure (IDRP)**

- 9.1 The Fund has 2 outstanding IDRP cases, both at Stage 1.
- 9.2 The Fund has also received one complaint.

## **10. Guaranteed Minimum Pension (GMP) reconciliation exercise**

- 10.1 The work to complete the GMP reconciliation and rectification continues, and targeted resources have been in place since August 2021. Priority is being given to members already in receipt of their pension where the amount they are receiving needs to be amended.
- 10.2 The total number of outstanding cases was 2,618. The number of cases that have been rectified up until 31<sup>st</sup> January 2022 is 1937, of which 940 overpayments and 74 underpayments have been identified. For all overpayments a letter has been sent out to the member to confirm that the pension in payment needs to be amended. If there is a significant change to

the value, we work with the member to ensure that the reduction does not create any financial hardship.

- 10.3 For underpayments the payment is adjusted for the next available payment to the member, and this will include any arrears that are due.
- 10.4 Due to the significant cost to the fund for the overpayments that have been identified, a paper has gone to the Leader of the Council to seek approval to write off any overpayments owed by members that have been caused by incorrect GMP information being held on record. This is the agreed course of action taken by the majority of LGPS funds and other public sector pension schemes.
- 10.4 923 cases have resulted in a change to the GMP information held on the member record but have not affected the pension in payment as the member has either not yet reached state pension age or the figures have balanced due to only being post 88 GMP.
- 10.5 There is one case where a significant overpayment has been uncovered, which relates to an incorrect GMP being held on the member record, as well as an incorrect value to be paid to the member being set up when the pension commenced in 2009. The PAS is working with the member to put the correct value of pension into payment.

## **11 Pensions Dashboard**

- 11.1 The government is introducing new “Pensions Dashboards” which are intended to revolutionise the way people interact with their pensions. They will make accessing pensions information easier by allowing people to see what they have in their various pensions in one place.
- 11.2 The PAS have set up a project group to look at the work that will be need to be done in preparation for the Pensions Dashboard going live in 2023.
- 11.3 The majority of the work is linked to data quality which will ensure that members can trace all their pension benefits back to the correct provider. This is turn is likely to increase the number of enquiries the team will receive from members, particularly those that are no longer actively contributing to their pension in the Warwickshire Fund but have an entitlement to a benefit from the fund.
- 11.4 With the introduction of MSS we hope to sign post members to this facility so that they can gather information via the self-service portal and therefore reduce the number of queries the team would need to deal with.

## 12. Transfer of Firefighter Pensions Administration service and Pensioner payroll

- 12.1 Work continues on the project to transfer the Firefighter Pensions administration work to West Yorkshire Pension Fund and is on track to achieve the transfer date of 1<sup>st</sup> April 2022.

## 13. Timescales associated with the decision and next steps

None

### Appendices

Appendix 1 KPI Chart

Appendix 2 Work received compared to work completed chart

Appendix 2 Total work outstanding

### Background Papers

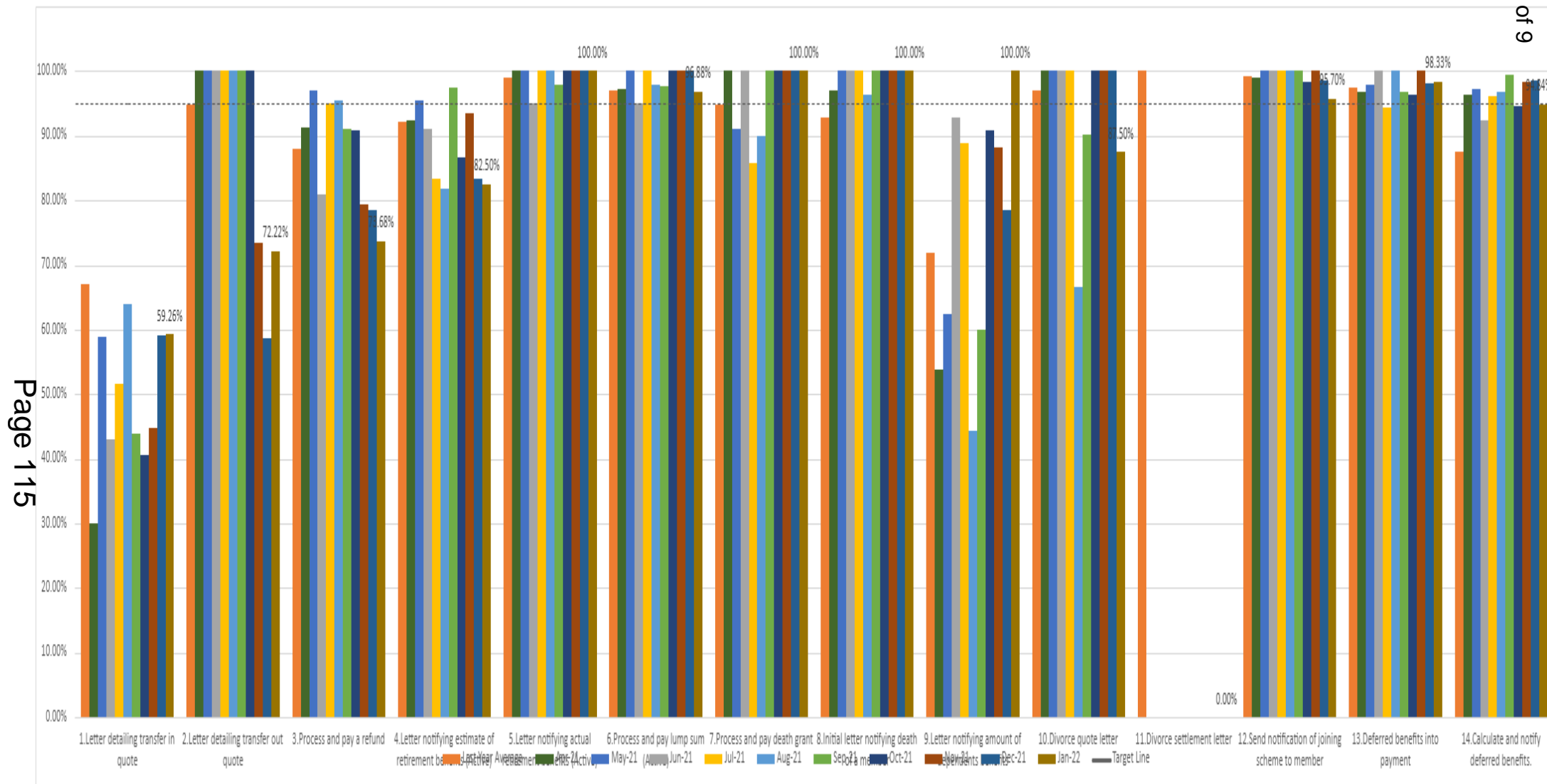
None

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The report was circulated to the following members prior to publication:

Local Member(s): Cllr Andy Jenns

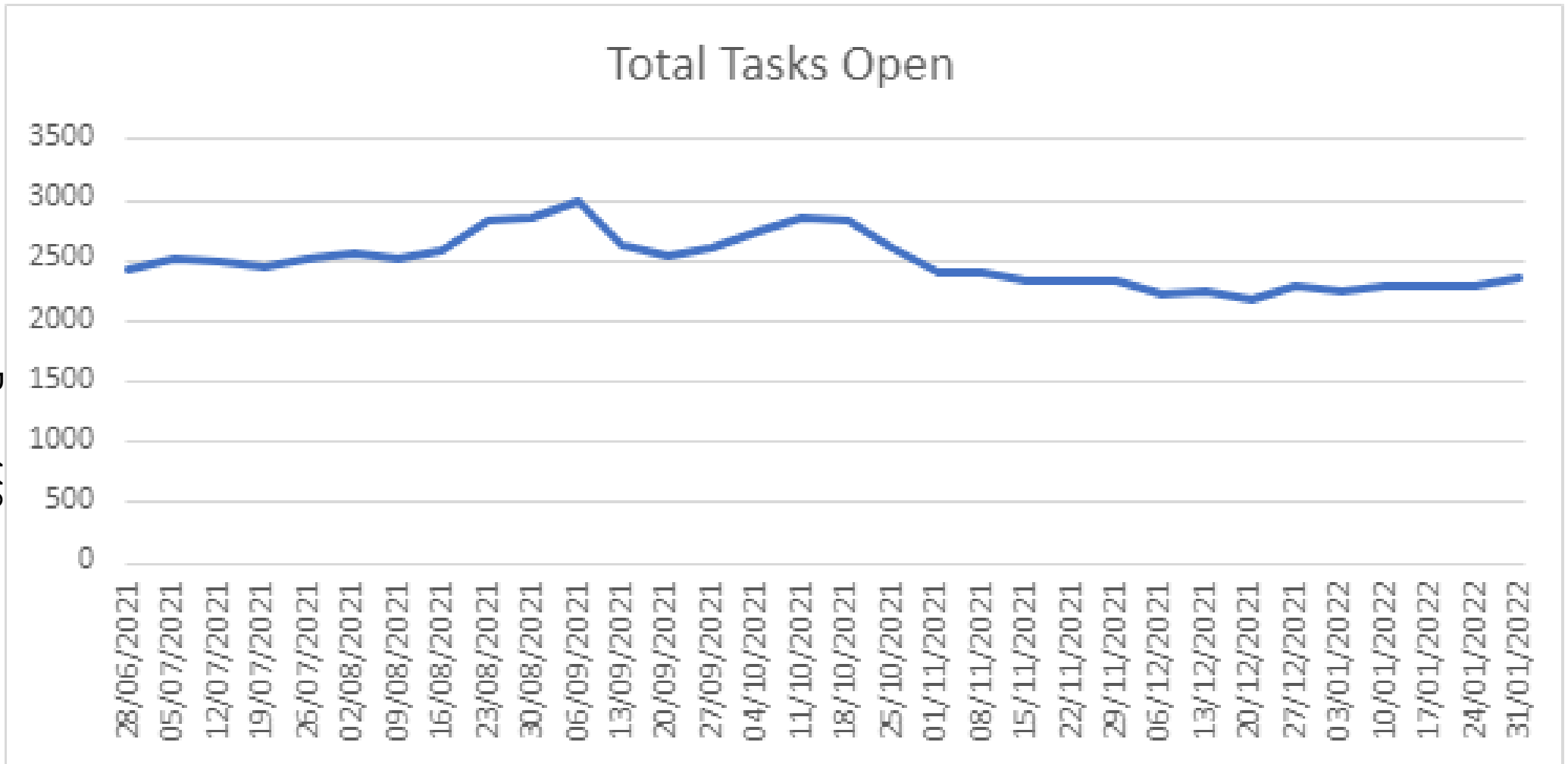
Other members: n/a



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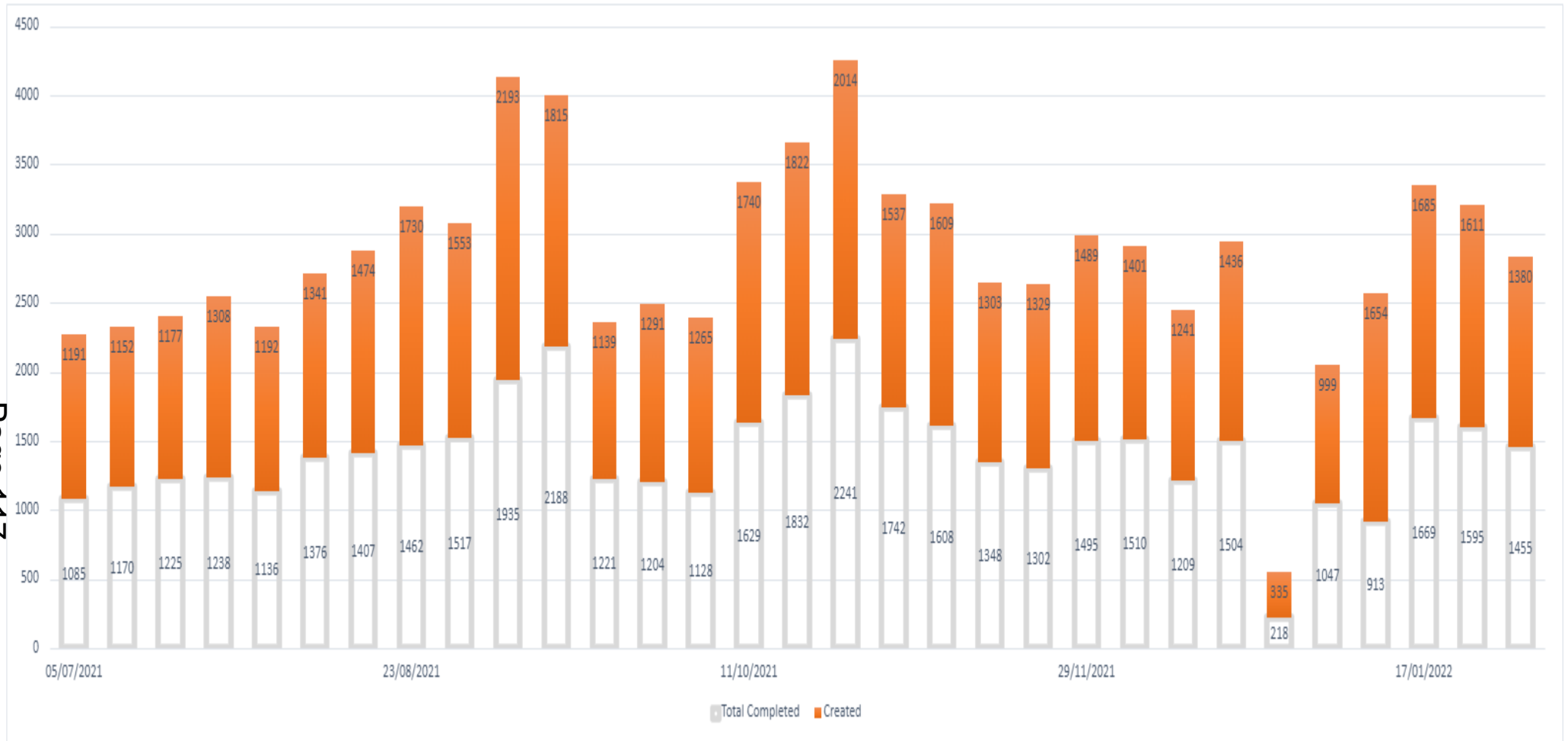
The chart may be difficult to read if you receive a black and white paper copy. This chart will be shared on screen in colour during the meeting

Appendix 2 - Total work outstanding





Appendix 3 – Comparison of incoming and completed tasks



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## Staff and Pensions Committee

7 March 2022

### Governance Review

#### Recommendation

That the Staff and Pensions Committee notes and comments on the content of the report.

#### 1. Executive Summary

- 1.1 This report provides details of the ongoing governance review of the Local Government Pension Scheme, currently being undertaken by the Scheme Advisory Board (SAB).
- 1.2 Officers understand that the proposals detailed in the review are currently being considered by the Department for Levelling Up, Housing and Communities (DLUHC).
- 1.3 Appendix 1, details the main points of the review and the points under consideration by the Warwickshire Pension Fund and possible actions.

#### 2. Financial Implications

- 2.1 None identified at this stage.

#### 3. Environmental Implications

None.

#### 4. Supporting Information

- 4.1 There will be some points raised in the review where Warwickshire Pension Fund (WPF) will need to consider possible changes in its approach to the management of the Fund. These are summarised below:

Recommendation	WPF position	WPF Actions	Notes
C1. Each fund must produce and publish a policy on the	No official representation although a county councillor	Wait for statutory guidance and address.	WPF will need to wait and see what is included in the statutory

representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party.	may also be a district councillor.		guidance. This may be an area where employers and scheme members are given additional representation and voting rights in the management of the Fund.
<b>E1.</b> Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution, and be consistent with role descriptions and business processes.	Responsibility sits with the Staff and Pensions Committee which has delegated responsibility for the management of the Fund to the Pension Fund Investment Sub-Committee. Due to workload administration and governance issues are dealt with by the Staff and Pensions Committee.	None at this time.	May need to be reviewed when statutory guidance is issued.
<b>F1.</b> Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a	Governance review undertaken and action plan created and progressed to completion.	Consideration has already been given to this Review when regulations and Statutory Guidance issued	The Fund undertook an independent review in 2019 and made significant changes in its approach to governance and administration as a consequence. The main change appears to be an assessment by a panel of experts

SAB panel of experts.			appointed by the Scheme Advisory Board. The Fund waits for the publication of amending regulations and Statutory Guidance.
<b>F2.</b> Local Government Association to consider establishing a peer review process for LGPS Funds.	The Fund undertook an independent review in 2019.	The Fund will be keen to undertake a further review.	The Fund is awaiting further guidance to be issued by the Scheme Advisory Board.

4.2 Officers understand that further guidance is expected in the Summer of 2022.

## 5. Timescales associated with the decision and next steps

5.1 Officers will keep the Committee updated on further developments.

### Appendices

1. Appendix 1 Good Governance Review Actions schedule.

### Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

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## Good Governance review actions

## Appendix 1

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
<b>A.1</b> MHCLG will produce statutory guidance to establish new governance requirements for funds to effectively implement the proposals below. ("the Guidance").	Publish statutory guidance (SG) to include requirements set out below using either reg 2(3A) powers or a new regulation in section 3						
<b>A.2</b> Each administering authority must have a single named officer who is responsible for the delivery of all LGPS related activity for that fund ("the LGPS senior officer").	Set requirement in scheme regulations	CIPFA to refer to the role in their guides	Publish a guide to the named officer role	Letter to CIPFA confirming SAB's recommendation to Minister	Section 151 is the Director of Resources. The Assistant Director has immediate responsibility for the Fund	Review when regulations amended, and guidance issued by SAB	It is not anticipated there will be a major change to WCC's position
<b>A.3</b> Each administering authority must publish an annual	Set requirement in Scheme regulations		Publish a guide to GCS, including best			Wait for regulations and guidance	This is currently published as part of the

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
governance compliance statement (GCS) that sets out how they comply with the governance requirements for LGPS funds, as per statutory Guidance. This statement must be co-signed by the LGPS senior officer and S151.	and publish high level statutory guidance		practice examples			to be published.	Fund's annual report.
<b>B.1</b> Each fund must produce and publish a conflicts of interest policy which includes details of how actual, potential, and perceived conflicts are addressed within the governance of the fund, with specific reference to key conflicts identified in the Guidance.	Set requirements in statutory guidance at <b>A.1</b>		Publish a guide to Conflict of Interest (Col) policies, including best practice examples	Survey Administering Authorities (AAs) to identify extent of conflict-of-interest policies already in existence	Col already exist	Review when Statutory guidance issued	A Conflicts of Interest policy and statement of pecuniary interest are already a requirement for the Local Pension Board. It may be that this requirement is extended to cover the pension fund committees



Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
							which are only covered by Conflicts of Interest for councillors.
<b>B.2</b> The Guidance should refer all those involved in the management of the LGPS, and in particular those on decision making committees, to the guide on statutory and fiduciary duty which will be produced by the SAB	Request that MHCLG clarify Fiduciary Duty in statutory guidance at <b>A.1</b>	CIPFA to make reference in their Knowledge and Understanding framework	Publish guide on statutory and fiduciary duty based on A.1 guidance and further legal advice	Seek further legal advice in co-ordination with Administering Authorities and recommend further action in this area		Provide necessary training when SAB guide and statutory guidance issued	Training currently provided to all Committee members
<b>C.1</b> Each fund must produce and publish a policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each	Set requirement in statutory guidance at <b>A.1</b>		Publish a guide to representation based on requirements of statutory guidance	Survey AAs for analysis of current representation	No official representation although a county councillor may also be a district councillor	Wait for statutory guidance and address Respond to survey when issued	Will need to wait and see what the Statutory Guidance requires. This may be an area where employers and scheme members are given

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
party.							additional voting rights in the management of the Fund.
<b>D.1</b> Introduce a requirement via the Guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively.	Set requirement in statutory guidance at <b>A.1</b>	CIPFA to make reference in their Knowledge and Understanding framework	Publish a guide to relevant training including suppliers	Investigate existing training in this area and publish results	NKA assessment undertaken, and areas of training identified	Wait for statutory guidance to be published	The Fund has expanded the training provided to members of the pension committees and local pension board. Senior officers with responsibility for the day-to-day management of the Fund are included.
<b>D.2</b> Introduce a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels	Set requirement in statutory guidance at <b>A.1</b>	CIPFA to make reference in their Knowledge and Understanding framework	Publish a guide to relevant training including suppliers		Section 151 did not take part in NKA (?) or identified for part of training plan	Wait for statutory guidance to be published	See above. Although this only covers the Deputy Director of Finance who has delegated

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
of knowledge and understanding.							responsibility for the Fund.
<b>D.3</b> Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.	Set requirement in statutory guidance at <b>A.1</b>		Publish a guide to training plans	Survey AAs for existing training plans and publish for best practice	Training plan in place	Undertaking the creation of a training log Take part in survey when published Review when SG published	The Fund has expanded its training requirements and all elected members, board members and senior officers with responsibility for the management of the Fund have access to a learning portal. Training received must be logged. An annual NKA is undertaken to help assess training needs. The training policy is

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
							reviewed annually.
<b>D.4</b> CIPFA should be asked to produce appropriate guidance and training modules for s151 officers.		CIPFA to produce appropriate guidance and training		Letter to CIPFA setting out request		Wait for guidance to be published	Deputy Director of Finance is included in all training sessions.
<b>E.1</b> Each administering authority must document key roles and responsibilities relating to the LGPS and publish a roles and responsibilities matrix setting out how key decisions are reached. The matrix should reflect the host authority's scheme of delegation and constitution, and be consistent with role descriptions and business	Set requirement in statutory guidance at <b>A.1</b>		Publish a guide to Roles and Responsibilities Matrix	Survey and publish existing delegation arrangements in Administering Authorities		Wait for guidance and review	Currently all decisions are made by either the Staff and Pensions or by way of delegated responsibility to Pension Fund Investment Sub-Committee. This may be reviewed depending on the guidance issued.

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
processes.							
<b>E.2</b> Each administering authority must publish an administration strategy.	Set requirement in scheme regulations		Publish a guide to administration strategy	Obtain and publish examples of existing PSAs	Administration Strategy in place and reviewed	Review when regulations and guidance issued	Administration Strategy is published and reviewed annually
<b>E.3</b> Each administering authority must report the fund's performance against an agreed set of indicators designed to measure standards of service	Set requirement in scheme regulations or statutory guidance	CIPFA to include in AR&A guidance			Fund has published service standards and monitors and reports against them to the Board and Committee	Review when regulations and or guidance issued.	Fund has published service standards and monitors and reports against them to the Board and Committee
<b>E.4</b> Each administering authority must ensure their committee is included in the business planning process. Both the committee and LGPS senior officer must be satisfied with the resource	Set requirement in statutory guidance at <b>A.1</b>	CIPFA to publish appropriate guidance		Investigate and publish current arrangements for agreeing pension budget	Business plan shared with committees	Await further guidance and review	The Annual Report is reported to the Pension Fund Investment Sub-Committee (for approval) and the Local Pension Board (for comment). Parts of the

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
and budget allocated to deliver the LGPS service over the next financial year.							report are reported throughout the year to PFISC and the LPB. This may need expanding depending on the Statutory Guidance issued.
<p><b>F.1</b> Each administering authority must undergo a biennial Independent Governance Review and, if applicable, produce the required improvement plan to address any issues identified. IGR reports to be assessed by a SAB panel of experts.</p>	Set requirement in scheme regulations, and include in high level statutory guidance		Establish panel of experts to review biennial governance reviews	Investigate the work of any similar bodies and consider potential structure and membership	Governance review undertaken and action plan created and progressed to completion	Consideration has already been given to this Review when regulations and SG issued	The Fund undertook an independent review in 2019 and made significant changes in its approach to governance and administration as a consequence of this report. It is anticipated that a further independent review will be

Recommendation	MHCLG	Other bodies	Scheme Advisory Board (SAB) dependent actions	SAB immediate actions	WPF position	WPF Actions	Notes
							undertaken. The Fund is currently waiting for regulations and statutory guidance.
<p><b>F.2</b> LGA to consider establishing a peer review process for LGPS Funds.</p>		<p>LGA to consider proposal</p>		<p>Letter to LGA setting out request</p>		<p>Wait for further information on this</p>	<p>Waiting for further information on this</p>

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## Staff and Pensions Committee

7 March 2022

### Regulatory and Policy Update

#### Recommendation

That the Staff and Pensions Committee notes and comments on the content of the report.

#### 1. Executive Summary

- 1.1 This report sets out the policies reviewed either as part of an annual review or where there have been minor amendments required.
- 1.2 The report also updates the Committee on regulatory developments in the pensions arena.

#### 2. Financial Implications

None.

#### 3. Environmental Implications

None.

#### 4. Internal Disputes Resolution Procedure

- 4.1 All pension schemes are required by the Pension Regulator to have a procedure to resolve pension disputes raised by scheme members. The process is a three-stage approach with the first two stages comprising the Internal Disputes Resolution Procedure and the third stage involving referral to the Pension Ombudsman. In exceptional circumstances a member can refer their complaint to the Courts for resolution.
- 4.2 The procedure for the Local Government Pension Scheme, is set out in the LGPS Regulations 2013 and template documentation is provided by the Department for Levelling Up, Housing and Communities (DLUHC) for local authority funds to adapt for their use.

- 4.3 Officers have reviewed the procedure adopted by the Staff and Pensions Committee last March and consider that it remains fit for purpose.

## 5. Regulatory Update

Officers have previously agreed to keep the Committee updated on progress in several areas. The updates for those areas are:

### 5.1 Cost Management Mechanism

- 5.1.1 The judicial review challenging the legality of the Government's decision to allocate the costs arising from McCloud as a cost to scheme members is ongoing. Officers will provide further information as the case develops.

### 5.2 Pensions Dashboard

- 5.2.1 The Pensions Dashboard is a government initiative that will enable the public to have online access to all their pension records whether they are held by private sector or public sector occupational pension schemes and personal pension schemes registered with the Pension Regulator.

- 5.2.2 The Department for Work and Pensions has started a consultation exercise on 'indicative' Pensions Dashboard Regulations 2022, detailing the obligations of occupational pension scheme trustees and dashboards system providers. It proposes to introduce the obligation for schemes to provide data in stages starting in the summer of 2023 for schemes of at least 20,000 active and deferred members.

- 5.2.3 It is understood that public service pension schemes are in scope.

- 5.2.4 Officers are currently waiting for further guidance from the Local Government Association who it is expected will respond to the consultation.

- 5.2.5 Committee members should be reassured that local authority pension funds and their administration software providers have been aware of this initiative for several years and have been taking steps to ensure that member records are accurate.

### 5.3 The Pension Regulatory Single Code of Practice

- 5.3.1 Officers understand that the Pension Regulator is still reviewing comments received following the consultation document issued in 2021. The Regulator has acknowledged that issues raised by the public service pension schemes and particularly the LGPS are causing further thought on some parts of the Code.

5.3.2 Although the Single Code is likely to be delayed until later in 2022, officers continue to review how the changes to the Code may impact the management of the Fund.

## 6. Timescales associated with the decision and next steps

6.1 Officers will keep the Committee updated on further developments.

### Appendices

None.

### Background Papers

None.

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

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## Staff and Pensions Committee

7 March 2022

### Warwickshire Pension Fund New Employers and Employers Leaving the Fund

#### Recommendation

That the Staff and Pensions Committee delegates authority to the Strategic Director for Resources to approve applications from the listed employers subject to the applications meeting the criteria:

#### New Academies

- Camp Hill Primary School (Part of Futures Trust Multi Academy Trust) 01/03/2022 (1.2 and 1.3)

#### New Employers

- Risual Limited 01/12/2021 (1.5 And 1.6)
- Radway Parish Council 01/11/2021 (1.7)

#### 1. Executive Summary

- 1.1 The Pension Fund must accept applications from scheduled bodies where the requirements of the regulations are met.
- 1.2 An academy is automatically a Scheme Employer on the basis that it meets the criteria of paragraph 20 of Part 1 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 i.e., it is a 'scheduled body'.
- 1.3 When submitting an application for membership each academy will be required to confirm:
  - That it has internal authority to be admitted to the Pension Fund.
  - The number of members to join the Pension Fund.
  - That the academy will comply with the relevant LGPS Regulations.
- 1.4 The Pension Fund must accept an application from an applicant body made under paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 where that body has undertaken to comply with the Regulations.
- 1.5 Warwickshire Police are the letting authority for the Risual Limited contract.
- 1.6 Warwickshire Police have made an application on the basis that they meet the criteria of paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 i.e., it is a 'transferee body'.

- 1.7 Radway Parish Council have a right to join to the fund as a Resolution Body and passed a resolution to that effect on 18<sup>th</sup> November 2021. They will pay the pooled rate for Parish and Town Councils
- 1.8 The Applicant Bodies has a contract with another Scheme Employer within the Pension Fund and has LGPS admission in respect of this contract.
- 1.9 The Applicant Bodies will be carrying out a function or service on behalf of the Scheme Employer under a contract.
- 1.10 The Applicant Bodies has confirmed that the Scheme Employer will be party to the admission agreement.
- 1.11 The Applicant Body has undertaken to comply with the relevant LGPS Regulations.

## **2. Financial Implications**

- 2.1 New entrants to the scheme will be required to cover their own costs and the actuarial process will ensure that employer contributions are appropriate to ensure this is the case.

## **3. Environmental Implications**

- 3.1 None

## **4. Supporting Information**

- 4.1 Warwickshire Pension Fund, Admissions and Terminations Policy 2020

## **5. Timescales associated with the decision and next steps**

- 5.1 At the moment the dates for the academies listed are provisional, next steps will be decided once the admission date is confirmed.
- 5.2 The Pension Fund must accept an application from an applicant body made under paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 where that body has undertaken to comply with the Regulations
- 5.3 Provided that the Committee is satisfied that the requirements of the regulations are met, the application should be granted.
- 5.4 In the event that the application is accepted, arrangements will be made for the Applicant Body to enter into an admission agreement with the Pension

Fund. Should admission commence prior to any admission agreement being completed, the Applicant Body has agreed to be bound by the terms of the standard form admission agreement appended to the Pension Fund's Admissions and Termination Policy

## Background Papers

1. Warwickshire Pension Fund, Admissions and Terminations Policy 2020

	<b>Name</b>	<b>Contact Information</b>
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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Cllr Jenns & Cllr Gifford

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## **Staff and Pensions Committee**

**7 March 2022**

### **Review of the Minutes of the Warwickshire Fire Local Pension Board meeting of 14 September 2021**

#### **Recommendation**

That the Staff and Pensions Committee receives and considers the minutes of the Warwickshire Fire and Rescue Local Pension Board.

#### **1. Executive Summary**

- 1.1 Set out at Appendix 1 are the minutes of the Local Pension Board meeting of 14<sup>th</sup> September 2021, for information.

#### **2. Financial Implications**

None.

#### **3. Environmental Implications**

None.

#### **4. Supporting Information**

None.

#### **5. Timescales associated with the decision and next steps**

None.

#### **Appendices**

None.

#### **Background Papers**

None.

	<b>Name</b>	<b>Contact Information</b>
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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Tuesday 14 September 2021

## Minutes

### Attendance

#### Committee Members

Martin Reohorn (Chair)  
Barnaby Briggs  
Caroline Jones  
Paul Morley

#### Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
Liz Firmstone, Service Manager (Transformation)  
Victoria Jenks, Pensions Admin Delivery Lead  
Deborah Moseley, Senior Democratic Services Officer

### 1. General

### 2. Apologies

Sian Marsh and Tony Morgan

### 3. Board Members' Disclosures of Interest

None.

#### (1) Minutes of the Previous Meeting

The minutes of the previous meeting were agreed as a true and accurate record.

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, advised the Board that, following a review of the governance arrangements for the Firefighter Pension Schemes, the minutes of the Warwickshire Fire and Rescue Service Local Pension Board were now being reviewed by the Staff and Pensions Committee.

#### **4. Forward Plan**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report to the Board which set out a rolling forward plan for a one year period. The plan included a number of standard items but was intended to be flexible and accommodate any developing issues at each meeting. It was intended that there would be more policies coming forward including cyber security and fraud. Vicky Jenks, Pensions Admin Delivery Lead, highlighted the upcoming introductory training session on 27 September 2021.

The Board noted the content of the plan.

#### **5. Risk Management**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report which provided an update on the risks facing the administration of the pension service and actions taken to manage them. The report also detailed the proposed risk appetite for adoption.

The Board noted that outsourcing of the pension administration service would have some impact on the risk register.

#### **Resolved**

1. The Warwickshire Fire and Rescue Local Pension Board noted the report and the risk register attached at Appendix 1.
2. That Warwickshire Fire and Rescue Local Pension Board approved the risk appetite statement at Section 2.3 of the report.

#### **6. Pensions Administration Activity and Performance Update**

Vicky Jenks, Pensions Admin Delivery Lead, presented this report which provided an update on key developments affecting Fire pensions administration and the performance of the Pensions Administration Service, including breaches, Internal Disputes, McCloud/Sargeant and immediate detriment cases and outsourcing of the Firefighter Pensions Administration Service and Pensioner Payroll.

The Chair sought clarity on the actions that the successful bidder for the outsourcing of the firefighter pensions administration (West Yorkshire Pension Fund) would be taken with regard to the remedy position and the requirements of scheme managers. Vicky Jenks advised that bidders had been required to address this question in their tender responses but there were still many unknowns with regard to the legislation that was coming through. The Chair sought further clarification that scheme members would be updated and Vicky Jenks advised that members would be contacted to update them on the transfer and advise who the new provider was.

Responding to a question from the Chair regarding breaches, Vicky Jenks advised that there was a breaches log that could be shared. She noted that Annual Benefit Statements had been issued but a very limited number had not gone out on time due to outstanding information and some thought was being given as to whether The Pensions Regulator needed to be informed.

The Board noted the report.

## 7. Future Meeting Dates

Future meeting dates were noted as follows:

Tuesday, 9 November 2021

Monday, 14 February 2022

Tuesday, 10 May 2022

All meetings were scheduled to start at 2.00pm and would take place virtually or at Shire Hall Warwick.

## 8. Any Other Business

Liz Firmstone, Service Manager (Transformation), noted that there was an elected Member vacancy on the Board which had been raised with the Legal Team.

Paul Morley agreed to raise the regular attendance of a Fire and Rescue Service Association Representative at the next Service Consultancy meeting.

The meeting rose at 2.24pm

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Chair

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